COMMITTEE ON GROUND AND BUILDINGS
July 18, 2013

TO THE REGENTS OF THE UNIVERSITY OF CALIFORNIA

1. APPROVAL OF THE BUDGET, APPROVAL OF EXTERNAL FINANCING, AND APPROVAL OF DESIGN FOLLOWING ACTION PURSUANT TO CALIFORNIA ENVIRONMENTAL QUALITY ACT, INFILL APARTMENTS REPAIRS, SANTA CRUZ CAMPUS

The Committee recommends that:

A. The 2012-13 Budget for Capital Improvements and the Capital Improvement Program be amended as follows:

From: Santa Cruz: Infill Apartments Repairs - Preliminary Plans - $996,000, to be funded from Colleges, Housing and Educational Services (CHES) Auxiliary Reserves.

To: Santa Cruz: Infill Apartments Repairs - Preliminary Plans, Working Drawings, and Construction - $32,982,000 to be funded from CHES Auxiliary Reserves ($7,982,000) and External Financing ($25 million).

B. The scope of the Infill Apartments Repairs project shall be to repair construction defects, including scope triggered by the repairs, in 17 student apartment buildings (148 apartment units, with a current total of 742 beds) constructed as a result of the Infill Apartments project at Cowell, Stevenson, Porter, and Kresge Colleges.

C. In conjunction with the approval of paragraphs 1 and 2 above, the Regents:

(1) Find that the project is categorically exempt under California Environmental Quality Act Guidelines Section 15301, Class 1 Existing Facilities.

(2) Approve the design of the Infill Apartments Repairs project, Santa Cruz Campus.

D. The campus will hire an outside inspector for the project in addition to campus inspectors.
E. The project general contractor will carry full insurance that covers its work and includes acceptance of prior work performed.

F. The President be authorized to obtain external financing not to exceed $25 million to finance the Infill Apartments Repairs project. The President shall require that:

1. Interest only, based on the amount drawn down, shall be paid on the outstanding balance during the construction period.

2. As long as the debt is outstanding, general revenues from the Santa Cruz campus shall be maintained in amounts sufficient to pay the debt service and to meet the related requirements of the authorized financing.

3. The general credit of the Regents shall not be pledged.

G. The President be authorized to execute all documents necessary in connection with the above.

2. AMENDMENT OF THE BUDGET AND AMENDMENT OF EXTERNAL FINANCING, UCSD MEDICAL CENTER EAST CAMPUS BED TOWER, SAN DIEGO CAMPUS

The Committee recommends that:

A. The 2013-14 Budget for Capital Improvements and the Capital Improvement Program be amended as follows:

From: San Diego: UCSD East Campus Bed Tower – preliminary plans, working drawings, construction and equipment – $697.9 million to be funded from external financing ($356.8 million), gifts ($131 million), hospital reserves ($106.1 million), Children’s Hospital Bonds ($69 million), and capitalized leases ($35 million).

To: San Diego: UCSD East Campus Bed Tower – preliminary plans, working drawings, construction and equipment – $839,360,000 to be funded from external financing ($500 million), gifts ($131 million), hospital reserves ($104,360,000), Children’s Hospital Bonds ($69 million), and capitalized leases ($35 million).

B. The project scope of the UCSD Medical Center East Campus Bed Tower will include: new bed tower of approximately 512,500 gross square feet (gsf) with 245 beds and 14 operating rooms, a new stand-alone central plant of approximately 39,300 gsf, and renovation of approximately 65,400 gsf in the existing Thornton Hospital.
C. The President be authorized to obtain external financing not to exceed $500 million to finance the UCSD East Campus Bed Tower project. The President shall require that:

(1) Interest only, based on the amount drawn down, shall be paid on the outstanding balance during the construction period.

(2) As long as the debt is outstanding, UC San Diego Health System gross revenues shall be maintained in amounts sufficient to pay the debt service and meet the related requirements of the authorized financing.

(3) The general credit of the Regents shall not be pledged.

D. The President be authorized to execute all documents necessary in connection with the above.

E. Should the funding for construction of the project exceed five percent more than the budgeted amount, additional approval of the Committee shall be required. Any further increase in the budget or external financing, or changes in the scope of the work to be brought back to the Committee for the Committee’s approval and approval of the full Board.

F. The President shall require a remediation plan of action by UC San Diego Health System if their quarterly and/or annual financial results show a level below 60 days cash. Should the level of days cash drop below 30 days, the President shall require the San Diego campus to replenish the Health System’s reserve to a 30-day minimum cash threshold for that quarter and on a going-forward basis.

3. APPROVAL OF THE BUDGET AND APPROVAL OF EXTERNAL FINANCING, NIMITZ MARINE FACILITY BERTHING WHARF AND PIER REPLACEMENT, SAN DIEGO CAMPUS

The Committee recommends that:

A. The 2013-14 Budget for Capital Improvements and the Capital Improvement Program be amended to include the following project:

San Diego: Nimitz Marine Facility Berthing Wharf and Pier Replacement – preliminary plans, working drawings, and construction – $25,053,000 to be funded from indirect cost recovery and campus funds ($9,840,000), external financing ($8,013,000), State funds ($5 million), and Nimitz Marine Facility reserves ($2.2 million). Any future non-State funding may be used to reduce the costs for this project pending the receipt of federal or State resources and/or gift funding.
B. The scope of the Nimitz Marine Facility Berthing Wharf and Pier Replacement (Project) shall be to replace the pier and wharf at the Nimitz Marine Facility, and replace and upgrade the necessary utilities, including electrical, telecommunications, fire alarm, potable water, compressed air and wastewater, and storm water management.

C. The President be authorized to obtain external financing not to exceed $8,013,000 for the Project. The President shall require that:

(1) Interest only, based on the amount drawn down, shall be paid on the outstanding balance during the construction period.

(2) As long as the debt is outstanding, general revenues from the San Diego campus shall be maintained in amounts sufficient to pay the debt service and to meet the related requirements of the authorized financing.

(3) The general credit of the Regents shall not be pledged.

D. The President be authorized to execute all documents necessary in connection with the above.