

**FINANCE AND CAPITAL STRATEGIES COMMITTEE**

March 16, 2017

TO THE REGENTS OF THE UNIVERSITY OF CALIFORNIA

**A. APPROVAL OF BUDGET AND DESIGN FOLLOWING ACTION PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT, PRECISION CANCER MEDICINE BUILDING AT MISSION BAY, SAN FRANCISCO CAMPUS**

- (1) The Committee recommends to the Regents that:
  - a. The 2016-17 Budget for Capital Improvements and the Capital Improvement Program be amended as follows:

From: San Francisco: Precision Cancer Medicine Building at Mission Bay – preliminary plans – \$16.6 million funded from campus funds.

To: San Francisco: Precision Cancer Medicine Building at Mission Bay – preliminary plans, working drawings, construction, and equipment – \$275 million to be funded from campus funds (\$175 million) and gifts (\$100 million).
  - b. The scope of the UCSF Precision Cancer Medicine Building at Mission Bay shall consist of constructing a new outpatient clinical building with approximately 139,600 assignable square feet (asf) of clinical space. The project will also include the renovation of approximately 6,000 asf in an adjacent structure to create a connection and shared lobby between the buildings.
- (2) Following review and consideration of the environmental consequences of the proposed Precision Cancer Medicine Building at Mission Bay project, as required by the California Environmental Quality Act (CEQA), including any written information addressing this item received by the Office of the Secretary and Chief of Staff no less than 24 hours in advance of the beginning of this Regents meeting, testimony or written materials presented to the Regents during the scheduled public comment period, and the item presentation, the Committee reports its:
  - a. Determination that the UC San Francisco 2014 Long Range Development Plan (LRDP) Final Environmental Impact Report (FEIR), certified by the Regents at the November 2014 meeting, as updated in Addendum #3, adequately analyzes the impacts of the project.

- b. Adoption of California Environmental Quality Act (CEQA) Findings and a Statement of Overriding Considerations in support of the project.
  - c. Approval of the design of the Precision Cancer Medicine Building at Mission Bay project, San Francisco campus.
- (3) The Committee recommends that the President of the University, in consultation with the General Counsel, be authorized to execute all documents necessary in connection with the above.

Committee vote: Regents Blum, Elliott, Kieffer, Makarechian, Schroeder, Sherman, and Zettel voting “aye.”

Board vote: Regents Blum, Brody, Elliott, Lansing, Lozano, Makarechian, Napolitano, Ortiz Oakley, Pérez, Ramirez, Schroeder, Sherman, and Zettel voting “aye.”

**B. AMENDMENT OF THE 2017-18 BUDGET FOR STATE CAPITAL IMPROVEMENTS AND APPROVAL OF EXTERNAL FINANCING**

- (1) The Committee recommends to the Regents that:
- a. The amended 2017-18 Budget for State Capital Improvements be approved, as shown in Attachment 1.
  - b. The President of the University be authorized to obtain external financing not to exceed \$183,777,000 plus related interest expense and financing costs for the 2017-18 Budget for State Capital Improvements shown in Attachment 1. The President shall require that:
    - i. Interest only, based on the amount drawn down, shall be paid on the outstanding balance during the construction period.
    - ii. The primary source of repayment for the external financing of \$183,777,000 plus related interest expense and financing costs shall be from State General Fund appropriations, pursuant to the Education Code Section 92493 et seq. Should State General Fund appropriation funds not be available, the President shall have the authority to use any legally available funds to make debt service payments.
    - iii. The general credit of the Regents shall not be pledged.
- (2) The Committee recommends that the President, in consultation with the General Counsel, be authorized to execute all documents necessary in connection with the above.

Committee vote: Regents Blum, Elliott, Kieffer, Makarechian, Schroeder, Sherman, and Zettel voting “aye.”

Board vote: Regents Blum, Brody, Elliott, Lansing, Lozano, Makarechian, Napolitano, Ortiz Oakley, Pérez, Ramirez, Schroeder, Sherman, and Zettel voting “aye.”

**C. AUTHORITY TO FORM NON-PROFIT MUTUAL BENEFIT CORPORATION PURSUANT TO SECTION 23786 OF THE CALIFORNIA BUSINESS AND PROFESSIONS CODE, DAVIS CAMPUS**

The Committee recommends that the Regents:

- (1) Authorize the President of the University to form a non-profit mutual benefit corporation affiliated with the UC Davis campus. Pursuant to Section 23786 of the California Business and Professions Code, the non-profit entity would be authorized to:
  - a. Exercise the privileges of the alcoholic beverage license authorized by Section 23786, including:
    - i. Accepting up to 20,000 gallons from UC Davis per year of the above-described wine;
    - ii. Selling the wine to consumers for consumption off the licensed premises, including bottles and bulk;
    - iii. Selling to other licensees authorized to sell wine, including liquor stores and restaurants, wholesalers, and wineries; and
    - iv. Providing samples of the wine to licensees.
  - b. Operate as a non-profit mutual benefit corporation pursuant to applicable laws.
- (2) Authorize the President, after consultation with the General Counsel, to approve and to execute (a) any documents reasonably required to accomplish the above; and (b) any modifications thereto, provided that such modifications do not materially increase the obligations of the Regents.

Committee vote: Regents Blum, Elliott, Kieffer, Makarechian, Schroeder, Sherman, and Zettel voting “aye.”

Board vote: Regents Blum, Brody, Elliott, Lansing, Lozano, Makarechian, Napolitano, Ortiz Oakley, Pérez, Ramirez, Schroeder, Sherman, and Zettel voting “aye.”

**Additions shown by underscoring**

**2017-18 BUDGET FOR STATE CAPITAL IMPROVEMENTS (\$000s)**

		<b>Financing Supported by State General Funds</b>	<b>Phase<sup>1</sup></b>
Berkeley	Evans Hall and Hearst Memorial Gymnasium	\$1,700	S P <sup>2</sup>
Berkeley	2223 Fulton Seismic Demolition	\$3,050	C
Berkeley	Giannini Hall Seismic Safety Corrections	\$3,250	P W
Irvine	Interdisciplinary Sciences Building	\$50,000	D C
Los Angeles	Center for Health Sciences-Neuropsychiatric Institute Seismic Correction	\$25,000	C
Los Angeles	Franz Tower Seismic Renovation	\$25,000	C
San Francisco	Health Sciences Instructional & Research Life Safety Improvements	\$3,000	D
<u>Santa Cruz</u>	<u>Cogeneration Plant Replacement Phase 1</u>	<u>\$22,777</u>	<u>C</u>
<b>Capital Projects Total</b>		<b>\$133,777</b>	
Systemwide State Deferred Maintenance Program		\$50,000	
<b>TOTAL 2017-18 BUDGET</b>		<b>\$183,777</b>	

<sup>1</sup> Refer to the Key for Acronyms.

<sup>2</sup> Seismic studies and design through the schematic level only.