

## **FINANCE AND CAPITAL STRATEGIES COMMITTEE**

September 14, 2017

### **TO THE REGENTS OF THE UNIVERSITY OF CALIFORNIA**

#### **1. APPROVAL OF PRELIMINARY PLANS FUNDING, NORTHERN REGIONAL LIBRARY FACILITY PHASE 4 EXPANSION, SYSTEMWIDE**

The Committee recommends that the 2018-19 Budget for Capital Improvements and the Capital Improvement Program be amended to include the following project:

Systemwide:            Northern Regional Library Facility Phase 4 Expansion – preliminary plans – \$600,000 to be funded from Strategic Priority Reserves resulting from one-time budget savings in prior year(s).

Committee vote: Regents Anguiano, Lemus, Makarechian, Napolitano, Park, Sherman, and Zettel voting “aye.”

Board vote: Regents Anguiano, Blum, Guber, Kieffer, Lemus, Lozano, Mancina, Monge, Napolitano, Newsom, Ortiz Oakley, Park, Pattiz, Pérez, Sherman, and Zettel voting “aye.”

#### **2. AMENDMENT OF THE BUDGET AND SCOPE, APPROVAL OF EXTERNAL FINANCING, AND APPROVAL OF DESIGN FOLLOWING ACTION PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT, INTERDISCIPLINARY SCIENCE AND ENGINEERING BUILDING, IRVINE CAMPUS**

A.     The Committee recommends that:

- (1)     The 2017-18 Budget for Capital Improvements and the Capital Improvement Program be amended as follows:

From: Irvine: Interdisciplinary Sciences Building – design, construction, and equipment – \$120 million from external financing (\$37.75 million), gift funds (\$30 million), campus indirect cost recovery reserves (\$2.25 million), and external financing supported by State appropriations under Sections 92493 through 92496 of the California Education Code (\$50 million).

To:     Irvine: Interdisciplinary Science and Engineering Building – design, construction, and equipment – \$156,235,000 from external financing (\$72.75 million), gift funds (\$30 million), campus indirect cost recovery reserves (\$3,485,000), and external

financing supported by State appropriations under Sections 92493 through 92496 of the California Education Code (\$50 million).

- (2) The scope of the Interdisciplinary Science and Engineering Building shall consist of constructing an approximately 181,700-gross-square-foot (gsf), 85,200-assignable-square-foot (asf) building that would provide instructional laboratory and support space, research and scholarly activity space, academic and administrative offices, shared assembly and colloquium space, and approximately 41,400 gsf of shell space to be built out for laboratory and academic uses at a later date as gift funds and other non-State resources become available. The scope shall also include associated site development and utilities.
  - (3) The President of the University be authorized to obtain external financing in an amount not to exceed \$72.75 million plus additional related financing costs. The President shall require that:
    - a. Interest only, based on the amount drawn, shall be paid on the outstanding balance during the construction period.
    - b. As long as the debt is outstanding, the general revenues of the Irvine campus shall be maintained in amounts sufficient to pay the debt service and to meet the requirements of the authorized financing.
    - c. The general credit of the Regents shall not be pledged.
- B. Following review and consideration of the environmental consequences of the proposed Interdisciplinary Science and Engineering Building 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:
- (1) Adoption of the Initial Study/Mitigated Negative Declaration for the Interdisciplinary Science and Engineering Building project in accordance with CEQA.
  - (2) Adoption of the CEQA Findings for the Interdisciplinary Science and Engineering Building project.
  - (3) Approval of the design of the Interdisciplinary Science and Engineering Building project.

- C. The Committee recommends that the President be authorized, in consultation with the Office of the General Counsel, to execute all documents necessary in connection with the above.

Committee vote: Regents Anguiano, Lemus, Makarechian, Napolitano, Park, Sherman, and Zettel voting “aye.”

Board vote: Regents Anguiano, Blum, Guber, Kieffer, Lemus, Lozano, Mancina, Monge, Napolitano, Newsom, Ortiz Oakley, Park, Pattiz, Pérez, Sherman, and Zettel voting “aye.”

3. **APPROVAL OF BUDGET AMENDMENT AND EXTERNAL FINANCING, PRECISION CANCER MEDICINE BUILDING AT MISSION BAY, SAN FRANCISCO CAMPUS**

- A. The Committee recommends that:

- (1) The 2017-2018 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, working drawings, construction, and equipment – \$275 million to be funded from campus funds (\$175 million) and gifts (\$100 million).

To: San Francisco: Precision Cancer Medicine Building at Mission Bay – preliminary plans, working drawings, construction, and equipment – \$285 million to be funded from external financing (\$175 million), gifts (\$100 million), and campus equity (\$10 million).

- (2) The President of the University be authorized to obtain external financing not to exceed \$125 million plus additional related financing costs. The President shall require that:
- a. Interest only, based on the amount drawn, shall be paid on the outstanding balance during the construction period.
  - b. As long as the debt is outstanding, general revenues from the San Francisco campus shall be maintained in amounts sufficient to pay the debt service and to meet the related requirements of the authorized financing.
  - c. The general credit of the Regents shall not be pledged.
- (3) The President be authorized to utilize existing Century Bond proceeds in an amount not to exceed \$50 million.

- B. The Committee recommends that the President, in consultation with the General Counsel, be authorized to execute all documents necessary or appropriate in connection with the above.

Committee vote: Regents Anguiano, Lemus, Makarechian, Napolitano, Park, Sherman, and Zettel voting “aye.”

Board vote: Regents Anguiano, Blum, Guber, Kieffer, Lemus, Lozano, Mancina, Monge, Napolitano, Newsom, Ortiz Oakley, Park, Pattiz, Pérez, Sherman, and Zettel voting “aye.”