

THE REGENTS OF THE UNIVERSITY OF CALIFORNIA

January 20, 2000

The Regents of the University of California met on the above date at UCSF - Laurel Heights, San Francisco.

Present: Regents Atkinson, Connerly, Davies, Hopkinson, O. Johnson, S. Johnson, Kozberg, Lansing, Lee, Montoya, Parsky, Preuss, and Taylor (13)

In attendance: Regent-designate Miura, Faculty Representatives Coleman and Cowan, Secretary Trivette, General Counsel Holst, Provost King, Senior Vice President Kennedy, Vice Presidents Darling and Hershman, Chancellors Dynes and Vanderhoef, and Recording Secretary Bryan

The meeting convened at 3:45 p.m. with Chairman Davies presiding.

1. APPROVAL OF MINUTES OF PREVIOUS MEETING

Upon motion of Regent Preuss, duly seconded, the minutes of the meeting of November 19, 1999 were approved.

2. REPORT OF THE PRESIDENT

President Atkinson presented the report concerning University activities and individuals.

Upon motion of Regent Taylor, duly seconded, the President's report was accepted, and it was directed that notes of thanks be sent to the donors of the gifts mentioned in the report, that congratulations be extended to those faculty and staff members who have been awarded honors, and that notes of sympathy and regret be sent to the families of those whose deaths were reported.

[The report was mailed to all Regents in advance of the meeting, and a copy is on file in the Office of the Secretary.]

3. REPORT OF THE COMMITTEE ON FINANCE

A. *Approval of Indemnification, American Heart Association Agreement, Office of the President*

The Committee recommended that the President be authorized to execute an agreement with the American Heart Association that contains indemnification language that might require assumption by the University of third-party liability, which is restricted to The Regents under Standing Order 100.4(dd)(9).

B. *Authorization to Adopt Resolution of Necessity for Proceeding in Eminent Domain Action, Santa Monica-UCLA Hospital, Los Angeles Campus*

The Committee recommended that the following Resolution of Necessity be adopted:

WHEREAS, it is desirable and necessary for The Regents of the University of California to acquire certain leasehold interests in real property more particularly described in Exhibit "A", attached hereto and made a part hereof by reference, in order to construct the extension of Santa Monica-UCLA Medical Center Facilities Reconstruction Plan Project. The names and addresses of the tenants whose leasehold interests are to be acquired are as follows:

- (1) Tetsuru Takayasu
Takayuki Takahashi
Takanawa Restaurant
1512 Wilshire Boulevard
Santa Monica, CA 90403
- (2) Jung Nan Kim and Chang Hak Kim
Santa Monica Flower Land
1514 Wilshire Boulevard
Santa Monica, CA 90403
- (3) Shelley's Stereo Video Center and Shelley's Stereo Hi-Fi Center,
Inc.
1520-1522 Wilshire Boulevard
Santa Monica, CA 90403
- (4) Steve Spears, dba Second Street Frame and Gallerie
1524 Wilshire Boulevard
Santa Monica, CA 90403

WHEREAS, The Regents of the University of California is vested with the power of eminent domain to acquire real property by virtue of Article IX, Section 9(f), of the Constitution of the State of California, and Sections 1235.190, 1235.200, 1240.110, 1240.120, 1240.160, 1240.240, 1240.510, 1240.610, 1240.640 and 1240.650 of the Code of Civil Procedure of the State of California, and Section 92040 of the California Education Code; and

WHEREAS, pursuant to the provisions of Section 1245.235 of the Code of Civil Procedure of the State of California, notice has been duly given to all persons whose property interests are to be acquired by eminent domain and whose names and addresses appear on the last County equalized assessment

roll, all of whom have been given a reasonable opportunity to appear and be heard before The Regents of the University of California on the following matters:

- (1) Whether the public interest and necessity require the project.
- (2) Whether the project is planned or located in the manner that will be most compatible with the greatest public good and the least private injury.
- (3) Whether the property sought to be acquired is necessary for the project.
- (4) Whether the offer required by Government Code Section 7267.2 has been made to the owner(s) of record.

WHEREAS, pursuant to the provisions of Section 7267.2 of the Government Code of the State of California, The Regents of the University of California has made offers to the owners of the leasehold interests to acquire said interests for just compensation;

WHEREAS, a Final Environmental Impact Report has been certified for the adoption of the Santa Monica-UCLA Medical Center Facilities Reconstruction Plan Project;

NOW, THEREFORE, IT IS FOUND, DETERMINED, AND ORDERED as follows:

- (1) The public interest and necessity require the Project which is the Santa Monica-UCLA Medical Center Facilities Reconstruction Plan Project.
- (2) The Project is planned and located in the manner which will be most compatible with the greatest public good and the least private injury.
- (3) The property sought to be acquired is necessary for the project.
- (4) The offers required by Section 7267.2 of the Government Code of the State of California have been made to the owners of the leasehold interests of the real property.
- (5) On or about March 19, 1999, The Regents of the University of California certified the Final Environmental Impact Report for the Santa Monica-UCLA Medical Center Facilities Reconstruction Plan Project pursuant to the California Environmental Quality Act.

The Notice of Determination for the Final Environmental Impact Report was filed with the Office of Planning and Research on March 19, 1999.

- (6) The General Counsel of The Regents of the University of California or his duly authorized designee is hereby authorized and directed to institute and conduct to conclusion an action in eminent domain for the acquisition of the estates and interests aforesaid and to take such action as he may deem advisable or necessary in connection therewith.
- (7) An order for prejudgment possession may be obtained in said action and a warrant issued to the State Treasury Condemnation Fund, in the amount determined by the Court to be so deposited, as a condition to the right of immediate possession.

General Counsel Holst referred to item B. of the Report of the Committee on Finance titled *Authorization to Adopt Resolution of Necessity for Proceeding in Eminent Domain Action, Santa Monica–UCLA Hospital, Los Angeles Campus* and stated for the record that the requirements for notifying the tenants in the case had been satisfied and that there had been no request by any tenant to address the Board.

Upon motion of Regent S. Johnson, duly seconded, the recommendations of the Committee on Finance were approved.

4. **REPORT OF THE COMMITTEE ON GROUNDS AND BUILDINGS**

A. *Approval of Negative Declaration and Approval of Design, Southwest Campus Staging Building, Los Angeles Campus*

Upon review and consideration of the environmental consequences of the proposed project as indicated in the Tiered Initial Study/Mitigated Negative Declaration, the Committee reported its:

- (1) Approval of the Tiered Initial Study/Mitigated Negative Declaration.
- (2) Adoption of the Findings and Mitigation Monitoring Program.
- (3) Approval of the design of the Southwest Campus Staging Building, Los Angeles campus.

[The Tiered Initial Study/Mitigated Negative Declaration, Findings, and Mitigation Monitoring Program were mailed to all Regents in advance of the meeting, and copies are on file in the Office of the Secretary.]

B. *Approval of Design, Science Laboratories 1, Riverside Campus*

The Committee reported its approval of the design of Science Laboratories 1, Riverside campus.

C. ***Certification of Environmental Impact Report and Approval of Design, Physical Sciences Building, Santa Cruz Campus***

Upon review and consideration of the environmental consequences of the proposed project as indicated in the Environmental Impact Report, the Committee reported its:

- (1) Certification of the Environmental Impact Report.
- (2) Adoption of the Findings, Statement of Overriding Consideration, and Mitigation Monitoring Program.
- (3) Approval of the design of the Physical Sciences Building, Santa Cruz campus.

[The Environmental Impact Report, Findings, Statement of Overriding Consideration, and Mitigation Monitoring Program were mailed to all Regents in advance of the meeting, and copies are on file in the Office of the Secretary.]

D. ***Certification of Supplemental Environmental Impact Report and Approval of Design, Colleges Nine and Ten Residence Halls, Santa Cruz Campus***

Upon review and consideration of the environmental consequences of the proposed project as indicated in the Environmental Impact Report, the Committee reported its:

- (1) Certification of the Supplemental Environmental Impact Report.
- (2) Adoption of the Findings, Statement of Overriding Consideration, and Mitigation Monitoring Program.
- (3) Approval of the design of the Colleges Nine and Ten Residence Halls, Santa Cruz campus.

[The Supplemental Environmental Impact Report, Findings, Statement of Overriding Consideration, and Mitigation Monitoring Program were mailed to all Regents in advance of the meeting, and copies are on file in the Office of the Secretary.]

Upon motion of Regent Lee, duly seconded, the reports of the Committee on Grounds and Buildings were accepted.

5. **REPORT OF THE COMMITTEE ON FINANCE AND THE COMMITTEE ON GROUNDS AND BUILDINGS**

A. *Amendment of the Budget for Capital Improvements and the Capital Improvement Program, and Amendment of External Financing for Undergraduate Housing Expansion, Irvine Campus*

- (1) With the concurrence of the Committee on Finance, the Committee on Grounds and Buildings recommended that the appropriate Budgets for Capital Improvements and Capital Improvement Programs be amended as follows:

From: Irvine: A. Undergraduate Housing Expansion—preliminary plans, working drawings, construction, and equipment—\$37,750,000 to be funded from external financing.

To: Irvine: C. Undergraduate Housing Expansion—preliminary plans, working drawings, construction, and equipment—\$53,444,000 to be funded from external financing.

- (2) The Committee on Finance recommended that the financing actions approved by The Regents in June 1998 with respect to the Undergraduate Housing Expansion, Irvine campus, be amended as shown below, with the understanding that all other financing actions of The Regents regarding said project remain unchanged:

deletions shown by strikeout, additions by shading

- a. Funding for the Undergraduate Housing Expansion, Irvine campus, be approved as follows:

External financing ~~\$37,750,000~~ \$53,444,000

- b. The Treasurer be authorized to obtain external financing not to exceed ~~\$37,750,000~~ \$53,444,000 to finance the construction and related costs of the Undergraduate Housing Expansion, Irvine campus, subject to the following conditions:

* * *

B. *Amendment of the Budget for Capital Improvements and the Capital Improvement Program, and Approval of External Financing for Physics and Astronomy Building, Los Angeles Campus*

- (1) With the concurrence of the Committee on Finance, the Committee on Grounds and Buildings recommended that the 1999-2000 Budget for

Capital Improvements and the 1999-2002 Capital Improvement Program be amended to include the following project:

Los Angeles: G. Physics and Astronomy Building—preliminary plans, working drawings, and construction—\$39,345,000 to be funded from external financing (\$34,566,000) and campus funds (\$4,779,000).

(2) The Committee on Finance recommended that:

a. Funding for the Physics and Astronomy Building project, Los Angeles campus, estimated at \$39,345,000, be approved as follows:

<u>Fund Source</u>	<u>Amount</u>
External Financing	\$34,566,000
Campus Funds	<u>4,779,000</u>
Total	\$39,345,000

b. The Treasurer be authorized to obtain financing not to exceed \$34,566,000 to finance the Physics and Astronomy Building project, subject to the following conditions:

- i. interest only, based on the amount drawn down, shall be paid on the outstanding balance during the construction period;
- ii. repayment of the debt shall be from the Los Angeles campus' share of the University Opportunity Fund; and
- iii. the general credit of The Regents shall not be pledged.

c. The Officers of The Regents be authorized to provide certification to the lender that interest paid by The Regents is excluded from gross income for purposes of federal income taxation under existing law.

d. The Officers of The Regents be authorized to execute all documents necessary in connection with the above.

Upon motion of Regent S. Johnson, duly seconded, the recommendations of the Committee on Grounds and Buildings and the Committee on Finance were approved.

6. **REPORT OF THE COMMITTEE ON FINANCE AND THE COMMITTEE ON INVESTMENTS**

A. ***Adoption of Expenditure Rate for the General Endowment Pool, Office of the President***

With the approval of the Committee on Investments, the Committee on Finance recommended that the expenditure rate per unit of the General Endowment Pool (GEP) for distribution in the 2000-01 fiscal year be 4.35 percent of a sixty-month moving average of the market value of a unit invested in the GEP.

B. ***Treasurer's Office Budget for Fiscal Year 1999-2000***

The Committee on Finance recommended that:

- (1) The FY1999-2000 Treasurer's Office Operating Budget in the amount of \$7,456,375 be approved.
- (2) The investment portion (\$6,970,296) be charged to the investment assets under Regental management and the finance portion (\$486,079) be charged to outstanding Regental debt.

Upon motion of Regent Parsky, duly seconded, the recommendations of the Committee on Finance and the Committee on Investments were approved.

7. REPORT OF INTERIM ACTIONS

Secretary Trivette reported that, in accordance with authority previously delegated by The Regents, interim action was taken on routine or emergency matters as follows:

The Chairman of the Board and the President of the University approved the following recommendation:

Authorization to Execute and Record FEMA Statements Concerning Lien Encumbering Property, Los Angeles and Santa Monica

That the President be authorized to execute and record the above-referenced Statements, which the Federal Emergency Management Agency (FEMA) requires be executed and recorded prior to January 1, 2000 as a condition to FEMA's disbursing grants pertaining to the Westwood and Santa Monica Replacement Hospitals.

8. REPORT OF PERSONNEL ACTIONS

In accordance with Bylaw 14.7(b), Secretary Trivette reported a personnel action taken at the November 1999 meeting. There was no roll call vote on this action.

Appointment of Arturo Gómez-Pompa as University Professor, Department of Botany and Plant Sciences, Riverside campus.

9. REPORT OF COMMUNICATIONS RECEIVED

Secretary Trivette presented summaries of communications received subsequent to the November 1999 meeting. The residency appeals were referred to the General Counsel, and the remaining communications were referred to the President for review and response as appropriate.

10. REPORT OF THE PRESIDENT***Reports Mailed Between Meetings***

President Atkinson reported that, on the dates indicated, the following informational reports were mailed to The Regents or to Committees:

To Members of the Committee on Audit

- A. Report of audit of Hastings College of the Law for the year ended June 30, 1999. January 6, 2000.

To Members of the Committee on Finance

- B. Annual Financial Report of the University of California Retirement System for the year ended June 30, 1999. November 11, 1999. (Schedule of Reports)
- C. Annual Report on Compensation: Principal Officers of The Regents and Officers of the University. November 23, 1999. (Schedule of Reports)
- D. Annual Report on University Employee Housing Assistance Programs for 1998-99. December 20, 1999. (Schedule of Reports)
- E. Annual Report on Insurance and Self-Insurance Programs. December 21, 1999. (Schedule of Reports)

To Members of the Committee on Health Services

- F. Activity and Financial Status Report on Hospitals and Clinics for fiscal year ended June 30, 1999 and the first quarter ended September 30, 1999. November 8, 1999. (Schedule of Reports)
- G. Fiscal Year 1998-99 Report on the University of California Clinical Enterprise Management Recognition Plan, and the 1999-2000 Staff Physician Salary Structure. November 16, 1999.
- H. Activity and Financial Status Report for UCSF Stanford Health Care as of September 30, 1999. November 30, 1999. (Schedule of Reports)
- I. Activity and Financial Status Report for UCSF Stanford Health Care as of October 31, 1999. December 6, 1999. (Schedule of Reports)
- J. Activity and Financial Status Report on Hospitals and Clinics as of October 31, 1999. December 6, 1999. (Schedule of Reports)
- K. Activity and Financial Status Report on Hospitals and Clinics as of November 30, 1999. January 6, 2000. (Schedule of Reports)
- L. The UCSF Stanford Health Care financial statement for fiscal year ended August 31, 1999. January 6, 2000. (Schedule of Reports)

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- M. Report on due diligence review of contracted, third-party external vendors of investment options for University of California employees. December 20, 1999.
- N. Annual actuarial valuation for UCRP as of July 1, 1999. December 20, 1999. (Schedule of Reports)

- O. The University's responses to the Management Letter of Deloitte & Touche.
December 21, 1999.

The meeting adjourned at 3:50 p.m.

Attest:

Secretary