

The Regents of the University of California

SPECIAL COMMITTEE ON UC MERCED

May 17, 2001

The Special Committee on UC Merced met on the above date at UCSF-Laurel Heights, San Francisco.

Members present: Regents Atkinson, Connerly, O. Johnson, S. Johnson, Kozberg, and Miura;
Advisory members Fong, Morrison, and Faculty Representative Cowan

In attendance: Regents Hopkinson, Kohn, Marcus, Montoya, Parsky, Preuss, and Sayles,
Regents-designate T. Davis and Seymour, Faculty Representative Viwsanathan,
Secretary Trivette, General Counsel Holst, Provost King, Senior Vice Presidents
Darling and Mullinix, Vice Presidents Broome, Drake, Gomes, and Gurtner,
Chancellors Berdahl, Bishop, Cicerone, Greenwood, Orbach, Tomlinson-Keasey,
Vanderhoef, and Yang, and Recording Secretary Nietfeld

The meeting convened at 11:30 a.m. with Special Committee Chair Kozberg presiding.

1. **APPROVAL OF MINUTES OF PREVIOUS MEETING**

Upon motion duly made and seconded, the minutes of the meeting of March 15, 2001 were approved.

2. **UPDATE ON PLANNING FOR UC MERCED**

Chancellor Tomlinson-Keasey presented an update on planning for the Merced campus. She introduced her colleagues, Mr. Clark Morrison of the law firm Morrison & Foerster and Mr. Rick Notini, an environmental planner. She noted their ongoing involvement in the development of the campus' Long Range Development Plan, which will be presented to The Regents at the November meeting. The Chancellor recalled that the grant to the campus from the Packard Foundation includes funding for 750 acres to be included in the Natural Reserve System. The Packard Reserve will constitute 5,000 acres. The \$30 million provided by the Governor will enable the campus to buy up to 60,000 acres of conservation easements.

Mr. Morrison continued with an overview of the planning process. In connection with the permitting and development of UC Merced and the associated campus community, the U.S. Department of Fish and Wildlife and the California Department of Fish and Game have expressed a desire for a comprehensive land-use and resource conservation plan to address impacts on endangered species throughout eastern Merced County. This plan would address cumulative impacts occurring on a landscape basis in the region, including agricultural conversions. Under federal law, such a plan is known as a "habitat conservation plan," while under State law the term is "natural community conservation plan." State and federal law allow these plans to be combined.

The primary purpose of a such a plan is to allow the taking of listed species in exchange for the establishment of a broad set of conservation measures ultimately designed to improve the condition of the species in the area. The first step in the process is for the parties to enter into a planning agreement to develop conservation strategies that would be incorporated into the habitat conservation plan. At the conclusion of this process, the agencies will sign a binding agreement to implement the plan. The University will be represented on an advisory committee that will be established to develop conservation strategies and to assist in the preparation of the California Environmental Quality Act (CEQA) review that will be required for the plan. The committee will also coordinate with county, State, and federal agencies to ensure that the permit requirements adopted in connection with UC Merced are incorporated in the habitat conservation plan and the natural community conservation plan. The University will ultimately serve as a permit holder under the plan. A primary issue in development of the planning agreement was the relationship of the broader effort to the permit process for UC Merced. The U.S. Department of Fish and Wildlife and the California Department of Fish and Game have agreed that the UC Merced campus and community could serve as a subarea plan under the broader habitat conservation plan, which may take longer to prepare than it will take to obtain the permits for the development of the campus. The federal Endangered Species Act stipulates that once a habitat conservation plan is in place, changed circumstances would not result in modifications to the permit holder's mitigation obligations.

Chancellor Tomlinson-Keasey reported that the architects had been selected to design the campus' first three buildings, which will be Science and Engineering, the Library, and a classroom and office building. The campus received five high-level architectural proposals for each of the buildings. The firm of Skidmore, Owings & Merrill has been selected to provide oversight for the projects. The Chancellor presented a series of slides depicting the location of the first buildings as well as the campus' location in the area. She noted that funding for residential housing was not included in the \$160 million from the State. It is anticipated that student housing will be constructed by a third party.

Turning to external support, Chancellor Tomlinson-Keasey reported that to date the campus had received funding for ten endowed chairs. The Packard Foundation grant totals \$12 million, and naming opportunities will provide \$1 million.

Regent Hopkinson asked whether campus planning was being undertaken in the context of a master plan. The Chancellor responded that there is a general sense of where areas of the campus will be located, but there is no specific, building-by-building plan.

In response to a comment by Regent Marcus regarding the unique opportunity which UC Merced represents, Chancellor Tomlinson-Keasey reported that Skidmore, Owings & Merrill had defined coordinating principles for the campus. Mr. Notini continued that, under CEQA, the University

is required to evaluate the impact of the full-campus build out. These plans will then be incorporated into the Environmental Impact Report.

Regent Marcus suggested that it would be useful to have the Chairman and the Special Committee address these long-range plans in some detail before they are finalized.

Chancellor Tomlinson-Keasey reported that the campus had received a \$160,000 grant from the Environmental Protection Agency to conduct a seminar, to be coordinated by Dean Fraker of the College of Environmental Design at the Berkeley campus. He will look at ways to design the most livable and efficient campus model.

Regent S. Johnson supported the comments made by Regent Marcus, noting that the involvement of the Regents in the design of a campus building tends to come late in the planning process. Many buildings are intended as an architectural statement and do not fit well into the overall aesthetic integrity of the campuses. She stressed that the Regents wish to have involvement in the design of UC Merced. Regent Johnson commended the campus administration for having obtained ten endowed chairs before campus construction has begun.

Referring to the morning's public comment period, Regent Johnson asked for an explanation of remarks that were made concerning project labor agreements, and specifically whether federal funds would be involved in the highway construction. She emphasized that the Merced campus should result in economic prosperity for the Central Valley. Chancellor Tomlinson-Keasey explained that while federal funds would be used to construct the highway, the only federal funds that the campus will seek would be in the form of contracts and grants for faculty research. With respect to labor agreements, the campus has specified in its draft documents that 20 percent of the workers should be enrolled in an apprenticeship program; this is one of the issues that was raised during the public comment. The campus has included a 50 percent local-area use for various trades and individuals. The local area encompasses four Central Valley counties. The Chancellor stressed that the objective would be to bring an economic benefit to the valley. She expressed concern that the four counties may not be able to provide the required labor force. Regent Johnson asked that the Chancellor report to the Regents on the agreements prior to their signing.

Chancellor Tomlinson-Keasey confirmed that there was legislative interest in union versus non-union involvement in the project. The campus administration has attempted to steer a middle course as it drafts the project labor agreements, which will apply to only the first three buildings.

Regent S. Johnson asked about the advantages of a project labor agreement. Regent Kozberg explained that these agreements guarantee that the job will proceed in a timely manner. Senior Vice President Mullinix continued that normally the agreement would contain a no-strike clause. Some building trades are dominated by union contractors. The Chancellor noted that the draft plan

clearly states that not all of the jobs will be filled by unionized labor. There will be ample opportunities for non-union individuals to participate, especially given the fact that the Central Valley is not heavily unionized.

Regent Kohn commented on the correspondence that Regents had received from organizations concerning environmental issues. He asked if any organizations had been brought into the planning process. Chancellor Tomlinson-Keasey reported that the campus administration had been in contact with the Sierra Club and the Audubon Society and that the Audubon Society was interested in establishing a center on the Natural Reserve System site. The campus has involved faculty from the Berkeley and Davis campuses who had objected to the original campus site. These faculty members wish to ensure that the entire 60,000 acres are preserved as habitat preservation.

Mr. Notini continued that the campus had offered to meet with various concerned groups to bring them up to date on significant changes that have been made to the campus plan. These groups view the habitat conservation plan as a way to preserve the vernal pools. The Chancellor noted the importance of the Packard Foundation grant, which enables the campus to proceed with a site that is not environmentally sensitive. The Packard Foundation has stated publicly that without the Merced campus, the area would degrade rapidly.

Regent Marcus stressed that an area of concern for the Regents was the possibility of litigation being filed to stop the project. Chancellor Tomlinson-Keasey believed that some extremists might file suit against the University on a variety of issues. The campus is taking such a possibility into account in all of its legal planning.

In response to a request from Regent Kozberg, the Chancellor touched briefly on the issue of third-party housing, noting that prevailing wages would be paid to workers. This will result in somewhat higher costs, but the campus believes that the location of the housing will be attractive to students. She agreed with comments made previously by Regent Marcus that it would be critical for students to reside on campus. The Chancellor explained that the campus is considering two funding options for this third-party housing. Under the first option, the housing would be funded entirely by the third party. Another option would be funding by the University of California using debt service. The administration is leaning towards the latter option as it would enable the campus to provide certain amenities that are less likely to be included by the third party.

(For speakers' comments, see the minutes of the May 17, 2001 meeting of the Committee of the Whole.)

The meeting adjourned at 12:05 p.m.

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Attest:

Secretary