

The Regents of the University of California

**COMMITTEE ON GROUNDS AND BUILDINGS**

September 19, 2006

The Committee on Grounds and Buildings met on the above date at UCSF–Mission Bay Community Center, San Francisco.

Members present: Regents Coombs, Hopkinson, Johnson, Kozberg, Ledesma, and Ruiz; Advisory member Brown

In attendance: Regent Blum, Regents-designate Allen and Bugay, Acting Secretary Shaw, Acting General Counsel Blair, Provost Hume, Chancellor Vanderhoef, Acting Chancellor Blumenthal, and Recording Secretary Bryan

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

1. **PUBLIC COMMENT**

Committee Chair Kozberg conducted a public comment period for the purpose of hearing from those who wished to comment on University-related matters and matters on the Committee's agenda. She announced that the session would be extended due to the number of people who had indicated their wish to appear. The following persons addressed the Board concerning the certification of the Environmental Impact Report and Approval of the 2005-2020 Long Range Development Plan for the Santa Cruz campus.

*In opposition:*

- A. Honorable Cynthia Matthews, Mayor of Santa Cruz, commented that the City does not oppose University growth. The concern with the LRDP and EIR is focused on the inadequacies of those documents and the consequences of the University's growth proposals. Santa Cruz faces three compelling issues: water, traffic, and housing. The City does not have enough water to serve a campus of 19,500 students; city streets cannot serve an additional 6,000 students, faculty, and staff; and the University will absorb all the units the City plans to construct in the next few years. She asserted that the University's analysis fails to address these subjects. She requested that the Regents reject or delay action on the LRDP and EIR until these issues are addressed appropriately.
- B. Ms. Mardi Wormhoudt, Santa Cruz County Supervisor, asked that the EIR, which identifies so many impacts that cannot be mitigated, and the LRDP not be adopted. She believed that the University must understand and budget appropriately for the financial impacts of its planned growth. Local communities are not in a position to subsidize the State education system. She believed that there had not been sufficient time to read and respond to the EIR.

- C. Mr. Don Stevens, an UCSC alumnus representing the Coalition for Limiting University Expansion and the Cave Gulch Neighborhood Association, believed that the Final EIR does not meet legal standards as specified by CEQA and if certified by The Regents will spark a court battle. Serious concerns about the Draft EIR were expressed by many government agencies and organizations that were not answered in the final document.
- D. Mr. John Aird cited examples of why he thought the EIR was flawed. He noted that 2,150 beds were built on campus since 1988; however, that represented only 46 percent of the stated target. Moreover, despite extensive use of alternative transportation, 10,000 cars a day go through a one-lane residential street to the University. He believed the University could do a better job of mitigating negative environmental impacts.
- E. Mr. Neal Coonerty, Santa Cruz County Supervisor-elect, acknowledged the importance of the University's educational mission but believed that the LRDP and EIR are flawed. He noted that the community has absorbed a 53 percent increase in enrollment in the last ten years and believed that the community's needs should be considered more seriously.
- F. Mr. Bill Kocher, Director of the City of Santa Cruz Water Department, stated that water sufficient to support the campus' planned growth does not exist absent the construction of a desalination plant, which is far into the future. The city will not be left with enough water not just in drought conditions but also in normal conditions.
- G. Mr. Ted Benhari, chairman of a Santa Cruz neighborhood association, commented that the Empire Grade, which will intersect with a new road the campus intends to build to serve the corporate yard and north campus, is already a dangerous road that will be made more dangerous by the addition of traffic to the corporate yard. He believed that the University should add to its plan improvements to the Empire Grade. He also cited loss of animal habitat and impacts on groundwater from expanding the campus to the north.
- H. UCSC Professor Emeritus William Friedland dismissed the notion that opposing adoption of the LRDP and EIR represented opposition to all expansion. He believed that the campus planning process had been hastened along, leaving inadequate time for review. He cited the increase in traffic congestion that would be caused by the campus' planned growth.

*In support:*

- I. Mr. Gary Novack, former Regent, stated that the LRDP creates a mechanism for the University and the community to anticipate and plan controlled development. He observed that a balance must be found between serving a growing population of UC-eligible students and the needs of the community. The growth plan is a moderate, slow increase and accounts for the services and infrastructure required for the additional 4,000 students over the next ten years. He believed that the LRDP respects the multiple perspectives and needs of the City, the County, and the State.
- J. Mr. Paul Marcelin-Sampson believed that UCSC's opponents represented mainly older and more financially secure members of the community who favor limiting future educational and professional opportunities for its younger members. He differed with the City's representatives on the Transit Board who want the District to join a lawsuit against the University. He believed that the campus' use of transit is a successful traffic mitigation measure.
- K. Ms. Peggy Pollard, who works with international students, welcomed growth and believed that the City should work more harmoniously with the campus. The economic and structural needs of the city should be the focus of its representatives.
- L. Ms. Allison Galloway, UCSC Vice Provost, discussed the academic aspirations of the campus, noting that the faculty are eager to pursue their plans to move the campus in new directions and train undergraduate, graduate, and professional students who will contribute to the state's wellbeing and that students are eager to participate.
- M. Mr. Don Steiny, a UC Santa Cruz graduate, believed that a small group of people who do not represent the community accurately has run the area for many years. They have deliberately constructed problems in order to thwart change and protect their own interests.
- N. Ms. Amelia Teubers commented that County leaders have neglected to focus on long-term solutions to traffic, housing, and water issues in Santa Cruz and have blamed the campus for problems that are inherent in every coastal town. She believed that approving the EIR would force local leaders and the campus to act jointly to address problem areas.
- O. Ms. Faye Crosby, Chair of the UCSC Academic Senate, reported that the Senate has neither endorsed nor disapproved the LRDP EIR. She reported that the leadership of the UCSC Senate trusts that the administration will not seek full implementation until ambiguities have been resolved to their satisfaction.
- P. Ms. Anu Luther, President of the UCSC Foundation, commented that local authorities were attempting to abrogate powers that belong to the State. The

University belongs to and has responsibility for an area much larger than Santa Cruz, from Monterey to Silicon Valley, and has a responsibility to provide higher education to deserving students statewide that no local authority should be allowed to block.

- Q. Ms. Susan Hammer, a member of the UCSC Foundation board and former mayor of San Jose, stated that achieving balance among many interests is a challenge for the University and the community. She believed the LRDP would achieve the correct balance and that by working together, all issues could be addressed satisfactorily.

2. **APPROVAL OF MINUTES OF PREVIOUS MEETING**

Upon motion duly made and seconded, the minutes of the meeting of July 18, 2006 were approved.

3. **CERTIFICATION OF THE ENVIRONMENTAL IMPACT REPORT AND APPROVAL OF THE 2005-2020 LONG RANGE DEVELOPMENT PLAN, SANTA CRUZ CAMPUS**

The President recommended that, upon review and consideration of the Environmental Impact Report (EIR), The Regents:

- A. Certify the Final EIR for the UC Santa Cruz 2005 Long Range Development Plan.
- B. Adopt the Mitigation Monitoring Program for the Final EIR.
- C. Adopt the Statement of Overriding Considerations included in the Findings.
- D. Adopt the Findings pursuant to the California Environmental Quality Act.
- E. Approve the Final Draft 2005 Long-Range Development Plan (September 2006) as revised by the Santa Cruz campus to be consistent with the Environmentally Superior Alternative identified in Final EIR Alternative 2, the Reduced Enrollment Growth Alternative, which accommodates a three-quarter-average, on-campus enrollment of 19,500 FTE through 2020-21.
- F. Direct the UC Santa Cruz Campus to report at a regularly scheduled Regents meeting by September 2010, and every five years thereafter, the following information which is in addition to the existing requirement that all campuses annually submit a five-year capital improvement program:
  - (1) Status of undergraduate and graduate enrollment and development of new academic programs, including projections for the next five years.

- (2) Status of completed or approved physical projects since adoption of the 2005 LRDP, and the development program and plans for the following five years, which shall include campus expansion outside the City’s jurisdictional limits and potential off-campus development.
- (3) Implementation status of mitigation measures in the 2005 LRDP EIR.

[The Final EIR, Long Range Development Plan, Mitigation Monitoring Program, and Findings were mailed to Regents in advance of the meeting, and copies are on file in the Office of the Secretary.]

It was recalled that the Final Draft 2005 Long-Range Development Plan (2005 LRDP) for the University of California, Santa Cruz provides a general land use plan to guide the physical development of the main campus. Based upon the LRDP objectives and its physical planning principles and guidelines, the 2005 LRDP delineates campus land uses and estimates new building space needed to support program expansion, housing and student life services, and infrastructure through the planning horizon year 2020-21. The 2005 LRDP updates the previous plan, approved by The Regents in 1989.

***Status of the 1988 LRDP***

The 1988 Long Range Development Plan, as amended, proposed physical development and designated land use categories to support campus growth through 2005-06.

*Population:* The 1988 LRDP projected an on-campus, three-quarter-average UC Santa Cruz student population of 15,000 FTE and a faculty and staff population of 4,600 by 2005-06. In 2003-04, the three-quarter average, on-campus student population was approximately 14,100 and the faculty and staff population was approximately 3,700.

*Building Space:* The 1988 LRDP made provision for the campus to construct approximately 5.5 million assignable square feet (asf) of building space through 2005-06. In 2003-04, the campus had a total of approximately 3.3 million asf of building space – including space acquired by the University in 2004 at 2300 Delaware Avenue.

*Mitigations:* Thirty mitigation measures were identified in the 1988 LRDP EIR and adopted by The Regents. Since then, eight additional LRDP-level mitigations have been added. The campus has fully implemented 33 of the mitigation measures and five are partially implemented. The 1988 LRDP EIR addressed mitigations for off-campus impacts outside of University jurisdiction as “University Assistance Measures” (UAM). The 1988 LRDP EIR adopted 15 UAMs and added four additional UAMs since the 1988 LRDP EIR certification. Eight UAMs are complete, two are in negotiation, and nine await initiation by the City or County of Santa Cruz.

***Summary of the 2005 LRDP***

The proposed Final Draft 2005 LRDP (September 2006) is the comprehensive policy and land use plan that will guide development of the Santa Cruz campus through the horizon year 2020-21. Approval of the 2005 LRDP does not constitute a commitment to enrollment growth, any specific project, construction schedule, or funding priority. Each development proposal must be approved individually.

The fundamental principle guiding the development of the LRDP is that the campus' capital investment and land use strategies should align with and promote the academic goals of the campus. Toward this end, the campus considered the following factors in developing the parameters for its 2005 LRDP:

- Campus academic aspirations to evolve existing programs and pursue new academic initiatives to ensure a breadth and depth of undergraduate academic programs, a fully-developed range of focused graduate programs, and appropriate professional programs;
- Opportunities and potential to continue developing high-quality, internationally recognized research programs, as these programs are fundamental to both the campus' educational mission and to its public service mission; and
- UC's responsibility to provide higher-education access to California's growing number of academically prepared and increasingly diverse high school graduates, community college transfers, and those requiring post-baccalaureate (graduate or professional) education.

The physical framework represented by the 2005 LRDP supports and recognizes the integration and synergy of its teaching, research, and public service mission; and enables continued progress toward building the breadth, depth, and quality of academic programs that will support a greater proportion (about 15 percent) of graduate and professional students.

The Final Draft 2005 LRDP framework supports the following campus objectives:

Provide for instruction, research, support, residential facilities, and infrastructure needed to:

- Accommodate anticipated enrollment growth and program development;
- Support the breadth and depth of undergraduate and graduate academic programs and professional degree programs;
- Accommodate the expansion of high-quality research programs;
- Allow the campus to expand its contribution to the public cultural life and economic well being of the region through public programs, events, and services.

Develop facilities to foster a dynamic intellectual and social community by:

- Locating new facilities on the main campus to build on the established foundation of human and physical resources already in place and to encourage interdisciplinary collaboration;
- Providing facilities and spaces that will enrich the collaborative learning environment for the on-campus student community and encourage academic, personal, and social development.

Develop a physical environment that will support educational opportunities for an increasingly diverse population.

Retain flexibility that will allow continuing evolution of the campus over time in response to changing demographics, societal needs, technological developments, and new external challenges.

Respect and reinforce the Physical Planning Principles and Guidelines to maintain the unique character of the UC Santa Cruz campus.

The Draft 2005 LRDP (January 2005) was designed to accommodate a three-quarter-average, on-campus enrollment of up to 21,000 FTE. That enrollment envelope was selected after careful consideration of the campus’ academic goals, its responsibility to provide higher-education access to California’s population, and an analysis of possible year-by-year growth rates that would be both responsive to program goals and consistent with the campus’ pursuit of excellence, its on-campus academic planning processes, and its values.

Among those values is the desire that programmatic growth and development be planned in consultation with campus affiliates and with the concerns of the off-campus community in mind. Early in the three-year planning process (January through May, 2004), the campus convened several work groups; one was a campus-community work group that identified areas of concern, values, and characteristics that exemplify the interdependencies and common interests of both the University and the community.

The environmental issues that the work group identified are addressed in the Draft EIR analysis, summarized later in this item. At the same time, campus and community leadership and staff opened discussions of mutual challenges and potential short- and long-term solutions outside the formal environmental review process. Those discussions continue.

During the course of reviewing comments on the Draft EIR analysis, it was determined that recommending a reduced enrollment alternative would allow the campus to respond to community leadership concerns regarding the implementation of infrastructure and other capital improvements to accommodate proposed enrollment increases. For this reason, the campus is recommending to the President and The Regents that the “Reduced Enrollment Growth” Alternative (accommodating a three-quarter-average, on-campus enrollment of 19,500 FTE) be approved as the 2005 LRDP for the 2020-21 planning

horizon. This plan – a 22 percent reduction in student enrollment growth and allowable new physical development from that proposed in the Draft 2005 LRDP (January 2005) – was identified as the Environmentally Superior Alternative in the Draft EIR and would also result in a slower rate of growth over the next fifteen years.

The Final Draft 2005 LRDP (September 2006) enables the campus to make progress toward articulated academic objectives, while reaffirming its desire to work with the Santa Cruz community to seek practical solutions to the inevitable challenges of change and growth.

It is evident that the City, the County, and the University have significant infrastructure issues to address with respect to housing, transportation, and water as well as improvements to the local economic and business development environment to support local services.

Upon consideration of all the factors raised during the planning process and after consultation on campus with the academic leaders and with the Office of the President, the campus carefully reassessed the alternatives presented in the Draft EIR and revised the LRDP to reflect the EIR's Reduced Enrollment Growth Alternative. Approval of the 2005 LRDP will result in reduced impacts to the environment and balance the academic needs of the campus with the concerns articulated by the community. Reducing the enrollment target and annual rate of growth provides opportunities for the community and University leadership to continue to work collaboratively to address the challenges of growth and change between now and 2020-21.

### ***Academic and Research Programs***

The original vision for UCSC was to combine the University of California's renowned strengths in scholarship/research and graduate/professional education with a strong commitment to undergraduate education. Integral to that vision was a campus structure that offered students the best of both worlds – the resources and academic rigor of a major research university, combined with small residential colleges that provided supportive living and learning communities.

The 2005 LRDP maintains that vision by accommodating growth in undergraduate and graduate programs under the college concept. In further support of the campus' academic goals, the LRDP reflects an important academic goal for the campus: a 15 percent graduate student population – an increase from the 9 percent in 2003-04.

At UC Santa Cruz, undergraduates pursue 52 majors in the humanities, physical and biological sciences, social sciences, arts, and engineering. Graduate students work toward certificates, master's degrees, or Ph.D. degrees in 33 academic fields. The campus plans to expand existing graduate and research programs as well as develop new programs, schools, and research institutes.



An analysis of the campus' programmatic goals and aspirations and the implications for the LRDP enrollment envelope was undertaken by a faculty committee.

***UC Santa Cruz as Part of the Regional Community***

UC Santa Cruz is an integral member of the regional community, linked by physical proximity, economic interdependence, shared resources and infrastructure, as well as by a rich cultural life. Approximately 53 percent of campus land, including most of its developed area, is located within the Santa Cruz city limits, and the remainder of the campus lies in the unincorporated area of Santa Cruz County.

Rapidly increasing housing demand along much of the California coast (including Santa Cruz), coupled with limited supplies and a shortage of vacant land, make housing supply and affordability critical issues for the entire region. Over the years, key industries have left the region, thereby eroding the City's tax base and limiting its ability to maintain and upgrade elements of the urban infrastructure. The campus currently houses about 48 percent of its students and has added approximately 2,150 new student beds since 1988.

UC Santa Cruz receives water and sewer treatment services from the City of Santa Cruz. Water supply has been identified as a key issue. In normal and wet years, the water supply system is capable of meeting the needs of the current population, but even without population increases, the system is highly vulnerable to shortages in drought years. The campus water consumption represents about 5 percent of the water demand in the City of Santa Cruz water service area.

One of the most critical planning challenges facing the region is that the number of automobile trips continues to increase faster than the growth of the population. UCSC has taken an aggressive approach to reducing automobile use. UC Santa Cruz has a successful University-based alternative transportation program. A goal in the 1988 LRDP was to reach a 40 percent alternative transportation mode share. The campus has surpassed this goal by achieving a rate of more than 55 percent of all "person trips" to and from the campus made by a mode other than a single occupant vehicle.

### ***Campus Physical Setting***

The UC Santa Cruz campus is located within Santa Cruz County at the northern end of the Monterey Bay, approximately 70 miles south of San Francisco, 30 miles southwest of San Jose, and 30 miles north of Monterey. The campus is surrounded on three sides by open space which is protected in its natural state and administered by California State Parks and the City of Santa Cruz. Of the approximately 2,000-acre campus, 1,400 acres are currently undeveloped.

### ***Physical Planning Principles and Guidelines***

Throughout the history of UC Santa Cruz, the campus' physical planning approach has carefully balanced its academic, research, and service missions with a commitment to careful stewardship of the remarkable site entrusted to it. The 2005 LRDP continues that tradition and is guided by the following planning principles:

*Sustainability.* By promoting sustainable practices through broad-based initiatives in campus development, operations, and organizational efficiency, the 2005 LRDP land use plan (and, operationally on an on-going basis, the campus) seeks to meet the needs of present users without compromising the ability of future users to meet their needs, particularly with regard to the use of natural resources.

*Land-Use Patterns.* The 2005 LRDP maintains the campus' core configuration, respects the natural environment and preserves open space as much as possible, integrates the natural and built environment, and encourages sustainability and efficiency in building layouts.

*Natural and Cultural Resources.* The 2005 LRDP respects major landscape and vegetation features, maintains continuity of wildlife habitats, maintains natural surface drainage flows as much as possible, and protects historic and prehistoric cultural resources.

*Access and Transportation.* The 2005 LRDP promotes a walkable campus, consolidates parking facilities at perimeter campus locations, and facilitates programs that discourage automobile use to and on the campus.

*Campus Life.* The 2005 LRDP will accommodate the creation of an array of facilities that enrich the academic experience for all students as well as the quality of campus life and university housing opportunities for students and employees.

*The Santa Cruz Community.* The 2005 LRDP provides an accessible and welcoming public-service environment and supports campus efforts to encourage the economic health of the surrounding community as well as communicate and collaborate with the surrounding community.

***Enrollment, Population, and Building Program***

The 2005 LRDP accommodates an increase in on-campus student enrollment to a fall-winter-spring, three-quarter average of 19,500 FTE by the year 2020 (of which graduate and professional enrollments are anticipated to be 15 percent). Consistent with UC goals for summer instruction, the 2005 LRDP accommodates during this planning horizon a summer student population of about 1,500 to 1,750 student FTE (about 6,700 to 7,850 individual students) spread out over multiple sessions throughout the summer.

The number of faculty is projected to increase by about 360, in a direct relationship to the increase in enrollment. On-campus staff growth (which includes researchers and non-teaching academic positions) is expected to increase by roughly 980. The number of faculty and staff by the year 2020 is projected to be 5,100.

The 2005 LRDP accommodates an on-campus building program to implement its academic, research, student life, and housing programs as the campus enrollment expands to 19,500 FTE. The campus' current buildings (existing and approved development) total approximately 3,113,000 assignable square feet (asf) or, in terms of gross square feet (gsf), 4,825,000 gsf. The 2005 LRDP would accommodate an additional 2,122,000 asf (or 3,175,000 gsf). Unforeseen changes in future institutional, resource, or implementation actions may necessitate an adjustment in various sub-program space totals; under this LRDP, however, the campus will remain within the total level of approximately 8 million gsf.

***Land Use Designations***

Similar to the 1963 founding plan and the 1988 LRDP for the campus, the 2005 LRDP land use plan identifies an extension of development to the north to meet the academic, research, and housing programs of the campus as it matures. The plan balances development opportunity with conservation of natural resources and open space by clustering new potential development areas and recognizing that additional density can be added to existing developed areas. The plan identifies that 65 percent of development could be placed as infill, with the balance 35 percent in undeveloped areas on the campus. The 2005 LRDP maintains much of the land use configuration from the 1988 LRDP while identifying more land for development restrictions. The 2005 LRDP includes the following Land Use designations:

*Academic Core:* Encompassing approximately 132 acres, this designation provides space and flexibility for future expansion in the north campus for needs anticipated under this plan, including potential professional schools and research functions.

*Campus Support:* Eight separate areas totaling approximately 85 acres are designated Campus Support. The largest of these, at the south entrance to the campus, will accommodate both public functions and operations-oriented functions.

*Colleges and Student Housing:* The college arc surrounding the academic core is designated Colleges and Student Housing and constitutes 228 acres. This area occupies land to the east, north, and west of the academic core and will accommodate the construction of new colleges, expansion of existing colleges through infill, new undergraduate and graduate student housing, and family student housing projects.

*Employee Housing:* Approximately 69 acres encompassing existing developed and undeveloped land are designated as Employee Housing. A 27-acre area to the north has been designated for future development of employee housing.

*Physical Education and Recreation:* Approximately 86 acres of relatively level land in three areas of the campus are designated Physical Education and Recreation. This land-use designation can also accommodate parking and transit facilities. A future recreation and events center could be located within this land use.

*Campus Resource Land:* The 2005 LRDP land use plan designates 335 acres of undeveloped land, mainly located in the far north campus and areas in the coastal zone west of Empire Grade and west of Porter College, to this land use category. These lands are not planned for development under the 2005 LRDP.

*Campus Natural Reserve:* 410 acres under this designation would remain in its natural state, except as required for maintenance, as a teaching and research reserve. Construction in this area is prohibited, except as required in conjunction with teaching and research in the area, or the limited construction of utilities, roads, and paths.

*Site Research and Support:* Three areas totaling approximately 154 acres are designated for Site Research and Support in this LRDP and include land currently used by the Center for Agroecology and Sustainable Food Systems (CASFS) and the UCSC Arboretum. The principal program elements associated with this land use are Social Sciences, Physical and Biological Sciences, Student Services, and Public Services.

*Protected Landscape:* The natural landscape of UC Santa Cruz has been recognized from the campus' inception as a unique asset that distinguishes UCSC from other universities. Approximately 505 acres have been designated as Protected Landscape in order to maintain special campus landscapes for their scenic value and to maintain special vegetation and wildlife continuity zones.

*Campus Habitat Reserve:* Two areas on campus, which total approximately 25.5 acres, are designated as Campus Habitat Reserve (HAB). HAB lands will remain undeveloped except as permitted by the terms of the 2005 Implementing Agreement between the U.S. Fish & Wildlife Service and The Regents and associated Habitat Conservation Plan (HCP).

### ***Housing and Student Life***

University-affiliated housing supports the academic mission of UC Santa Cruz by fostering recruitment, transition, retention, development, and graduation of both undergraduate and graduate students and employees. Residential life, academic life, and student life are the three elements of the UC Santa Cruz college system, the cornerstones for creating dynamic living and learning communities.

The 2005 LRDP accommodates a higher density in new on-campus housing, recognizing the value of campus natural lands and the goal of reducing the potential for sprawl. The height and density of new housing development will reflect several factors, including economic viability, 2005 LRDP Physical Planning Principles, social context, and the particular considerations of each site. Considering the large proportion of the overall development program that housing represents, achieving a higher housing density is important not only to promote sustainable development practices but also to preserve future opportunities beyond the time frame of this LRDP. The land area identified in the 2005 LRDP for housing uses accommodates the goal of housing 50 percent of undergraduate students, 25 percent of graduate students, 25 percent of faculty, and 3 percent of staff.

### ***Landscape and Open Space***

The 2005 LRDP builds on the current pattern of development clusters carefully placed to balance programmatic need and ecological sensitivity. The open expanse commonly known as the Great Meadow will be maintained, with new buildings confined to the forest edge and developed as infill. The far north campus, in the vicinity of Marshall Field, will remain as undeveloped open space in its current natural state under this LRDP. This area requires careful planning and management to maintain a balance related to wildlife, hydrology, and programs on the Campus Natural Reserve. Open space in and around developed areas in the north campus include significant existing vegetation, topography, and drainage patterns that will be protected as much as possible, and will inform site, building, and landscape design. New landscaping and plant materials will be chosen to blend with the natural environment through the use of local native materials and species present on site prior to construction.

### ***Circulation and Parking***

The 2005 LRDP includes a comprehensive transportation system that combines improved campus connectivity, parking collection points, transit hubs, and pedestrian and bicycle routes. This system provides the needed flexibility to support careful campus expansion. As the UC Santa Cruz campus matures, filling gaps in the existing circulation network and expanding circulation and parking infrastructure are essential.

The vehicular circulation system in the 2005 LRDP is generally consistent with and similar to the 1988 LRDP. Several proposed roads identified in the 1988 plan are

included in this plan to provide access to areas of the campus and improve cross-campus connection and the efficiency of shuttle access to parking facilities. Like the 1988 LRDP, the 2005 LRDP includes the addition of a third access road into the campus to provide additional egress for fire safety and to support future campus development.

Most of the campus is bounded by parkland, and all campus traffic is channeled through residential neighborhoods of the city's upper westside. UCSC has been highly successful in reducing single occupant vehicle trips through a combination of parking management policies and Travel Demand Management programs. The circulation and parking plan is designed to be flexible enough to accommodate a variety of strategies to reduce effects on the surrounding community and to improve campus access from the surrounding community.

In order to serve the needs of faculty, staff, and students and fulfill the programmatic needs of the campus, the development of as many as 2,100 new parking spaces is proposed. The parking strategy in the 2005 LRDP relies on a system of consolidated "collector" parking facilities located at the periphery of the central campus and served by high-frequency transit and campus shuttle service. Limited surface parking will also be provided for new facilities within the central campus to meet accessibility requirements and to accommodate critical access needs.

### ***Environmental Impact Summary***

Pursuant to State law and University procedures for implementation of CEQA, a Draft Environmental Impact Report (DEIR) was prepared for the UCSC Draft 2005 LRDP. The DEIR provided program-level CEQA analysis of the Draft 2005 LRDP (January 2005), including an enrollment level of 21,000 FTE through 2020-21, 4.1 million gsf of new building space, and a total increase in campus population of 8,715.

The Draft EIR also provides project-level environmental review of three projects: Infrastructure Improvements Phase 1 and Phase 2 (IIP), Family Student Housing Redevelopment Project (FSH), and 2300 Delaware Project.

In accordance with University Delegations of Authority, it is anticipated that the Infrastructure Improvements Phase 1 and Phase 2 and the 2300 Delaware projects will be presented to the Chancellor for approval later this year, and that the Family Student Housing Redevelopment Project will be submitted to The Regents at a later date to be determined.

### ***Environmental Review Process***

On January 27, 2005, the University issued a Notice of Preparation (NOP) announcing the preparation of an EIR for the Draft 2005 LRDP. The NOP was accompanied by an Initial Study (IS), which described the project, including the Draft 2005 LRDP (January 2005), IIP, FSH and 2300 Delaware, and the proposed scope of analysis. The NOP/IS was circulated to responsible agencies, interested groups, and individuals for a 30-day review period (January 27, 2005 to February 28, 2005). During the scoping period, three public scoping meetings were held to receive input on the range of issues, alternatives, and potential mitigation measures to be addressed in the EIR. Two of the meetings were held on February 16, 2005 at an off-campus location, and the third was held on February 18, 2005.

A Draft EIR was issued on October 18, 2005 and was circulated for public review and comment for a 63-day period originally scheduled to end December 19, 2005. At the request of the City of Santa Cruz, the comment period was extended to January 11, 2006, a total of 86 days. Public hearings on the Draft EIR were held on November 16, 2005, and November 30, 2005, to receive oral comments on the Draft EIR.

The Draft EIR consists of three volumes: Volumes I and II address the impacts of the physical development of the proposed Draft 2005 LRDP, Volume II also contains technical appendices, and Volume III addresses the project-level impacts of the IIP, FSH, and 2300 Delaware projects. The Draft EIR identifies the measures to eliminate or reduce potential adverse impacts and evaluates a reasonable range of alternatives for the Draft 2005 LRDP and the projects listed above.

After reviewing comments received on the Draft EIR, the University found that additional analysis was needed to evaluate traffic impacts of the project on Highway 17 and Highway 1 south of Highway 17. Consistent with the CEQA Guidelines, the University circulated the additional traffic analysis in a document titled Recirculated Draft EIR – Additional Traffic Analysis (RDEIR). A Notice of Completion for the RDEIR was mailed to the State Clearinghouse on March 16, 2006. The RDEIR was circulated for public review for a 45-day period from March 20, 2006 to May 3, 2006.

In addition, as discussed earlier, upon consideration of factors raised during the planning and environmental review process, the campus is recommending that The Regents adopt the EIR's Environmentally Superior Alternative (the Reduced Enrollment Growth Alternative), representing an enrollment level of 19,500 FTE through 2020-21, approximately 3.2 million gsf of new building space, and a total increase in campus population of 6,986. In support of this recommendation and in accordance with CEQA, as described below, the Final EIR includes additional description and analysis of the Reduced Enrollment Growth Alternative.

***Final Environmental Impact Report Organization***

The Final EIR dated September 2006 consists of six volumes. Volumes I, II, and III are the three volumes of the Draft EIR discussed above. Final EIR Volumes IV, V, and VI contain: an Executive Summary; Project Refinements (including additional description and analysis of the Reduced Enrollment Growth Alternative and IIP.); Changes to the Draft EIR Text (including revisions to proposed mitigation measures, changes in response to comments, and corrections of typographical errors); the Mitigation Monitoring Program; and Response to Comments (including all comment letters received on the Draft EIR, transcripts of the public hearings, and detailed responses to all comments received on the DEIR and RDEIR). The RDEIR is included in Volume VI in an Appendix.

Implementation of either the Draft 2005 LRDP (January 2005) or the Final Draft 2005 LRDP (September 2006) representing the Reduced Enrollment Growth Alternative, including the projects listed above, has the potential to result in potentially significant and significant unavoidable impacts on the environment. A detailed summary of the impacts of the Draft 2005 LRDP (January 2005) is included in the Summary chapter of Volume I of the Draft EIR in the table entitled “Summary of Impacts and Mitigation Measures.” A detailed summary of the impacts of the Final Draft 2005 LRDP (September 2006) is included in the Findings and in the Executive Summary chapter of Volume IV of the Final EIR. A summary comparison of the environmental impacts of the Draft 2005 LRDP (January 2005) and the Final Draft 2005 LRDP (September 2006), identified as the Reduced Enrollment Growth Alternative in the DEIR, is included in Volume IV, Chapter 2. For both the Draft and Final Draft 2005 LRDPs many of these impacts can be reduced to less-than-significant levels following implementation of proposed mitigation measures.

Compared to the Draft 2005 LRDP, the Final Draft 2005 LRDP would lessen the severity of all impacts identified in the DEIR as significant and unavoidable, in particular significant unavoidable on-campus impacts in the areas of cultural resources, hydrology, and utilities and off-campus impacts to housing demand, water supply, and traffic congestion would be reduced. Emissions of volatile organic compounds would also be reduced below the significance threshold, although emissions of nitrogen oxide would remain significant; and ten, rather than 11, off-campus intersections would be significantly affected. Although lessened, significant and unavoidable impacts of the Final Draft 2005 LRDP, including implementation of the three projects listed above, would remain even after implementation of feasible mitigation measures in the following categories:

*Air Quality*

- Under the Draft 2005 LRDP, daily operational emissions of both volatile organic compounds (VOCs) and nitrogen oxides (NOx) would exceed applicable thresholds and therefore may contribute substantially to a violation of air quality standards or hinder attainment of the regional air quality plan. Under the Final Draft 2005 LRDP, emissions of VOCs would be reduced below the applicable



thresholds; however, emissions of nitrogen oxide would still exceed the threshold, and the impact would remain significant and unavoidable.

- Growth associated with the Draft 2005 LRDP would conflict with the Air Quality Management Plan. This impact results from regional population forecasts that did not take the growth of the campus into account. A reduction in the enrollment growth target would not reduce this impact and the impact would remain significant and unavoidable under the Final Draft 2005 LRDP.

*Cultural Resources*

- If a unique archaeological or historic resource cannot be preserved intact, implementation of the Draft 2005 LRDP could cause a substantial adverse change in the significance of the resource. This impact relates to undiscovered unique archaeological or historical resources that could be encountered on a project site. Under the Final Draft LRDP, although the potential to encounter such resources would be slightly reduced because the extent of development would be smaller, the impact would still be significant and unavoidable should they be encountered.

*Hydrology and Water Quality*

- Under the Draft 2005 LRDP, increased surface runoff could result in siltation or erosion, which could increase the amount of urban pollutants in storm water runoff. Under the Final Draft 2005 LRDP, the potential for erosion would be lower because the increase in impervious surfaces would be smaller; however, the reduction in volume of runoff from campus development would not be large enough to reduce the impact to a less-than-significant level.

*Noise*

- Under the Draft 2005 LRDP, construction could expose nearby sensitive receptors to excessive airborne noise. This impact would occur because infill development would be constructed within the immediate vicinity of existing buildings. At these locations, it might not be possible to reduce noise impacts to levels below applicable thresholds. As infill development would occur also under the Final Draft 2005 LRDP, this impact would remain significant and unavoidable.

*Population and Housing*

- The Draft 2005 LRDP would directly induce substantial population growth in the study area. Approval of the Final Draft 2005 LRDP would reduce the campus' contribution to population growth in the study area, but the impact would remain significant and unavoidable.
- Campus growth under the Draft 2005 LRDP would make a considerable contribution to the cumulative demand for housing, which would exceed the projected supply. Approval of the Final Draft 2005 LRDP would reduce the campus' contribution to this cumulative impact, but the contribution would still be cumulatively considerable.

*Transportation and Circulation*

- Campus growth under the Draft 2005 LRDP would cause unacceptable levels of service at 11 off-campus intersections. Under the Final Draft LRDP, one less off-campus intersection would be significantly impacted (ten total).
- Campus growth under the Draft 2005 LRDP would contribute to unacceptable freeway level-of-service operations. The Final Draft 2005 LRDP would reduce the campus' contribution, but the impact would remain significant and unavoidable.

*Utilities*

- Under the Draft 2005 LRDP, expansion of heating water generation and conveyance facilities would result in significant air quality impacts (also identified under Air Quality). This impact would not be reduced to a less-than-significant level under the Final Draft LRDP.
- Under the Draft 2005 LRDP, cumulative demand for water would require development of new water supplies and infrastructure the construction of which could result in significant environmental impacts. Approval of the Final Draft 2005 LRDP would reduce the campus' projected water consumption by approximately 22 percent less than the Draft 2005 LRDP. This would not reduce the campus' contribution to the cumulative demand to a less-than-significant level; however, campus water demand is below the amount attributed by the City of Santa Cruz to the campus in its water demand forecast.

*Alternatives*

The LRDP DEIR analyzed four alternatives to the Draft 2005 LRDP:

- Satellite Campus at Former Fort Ord Military Base
- Reduced Enrollment Growth
- Southerly Expansion
- No Project

In addition, the LRDP DEIR considered six major alternatives that were rejected because they did not meet the project objectives or were found to be infeasible:

- Alternative Land Use Plans: Option A – Loop Road Option; Option B – Expanded Core Option; Option C – Extend Heller to Empire Grade Road Option; and, Option D<sup>1</sup> – Compact Development
- Increased Development Density
- Increased On-Campus Housing
- Satellite Campus at Moffett Field
- Expanded Distance Learning Programs
- No Campus Growth

***Public Comments on LRDP DEIR and RDEIR***

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<sup>1</sup> The Reduced Enrollment Growth Alternative, identified as the Environmentally Superior Alternative, is proposed by the Santa Cruz campus for approval.

The University received a total of 122 comment letters on the Draft EIR (19 from public agencies, 12 from organizations, and 91 from individual members of the public). During the two public hearings on the Draft EIR, oral testimony was received from a total of 56 individuals. The University received a total of 15 comment letters on the RDEIR (eight from public agencies and seven from individual members of the public). The letters and public hearing transcripts and the University's responses to comments raised are included in the Final EIR (Volume IV and Volume V of the EIR).

The following issues and concerns were raised most frequently in the comments and testimony received on the Draft EIR:

- The impacts on increased demand for housing in the region and the adequacy of mitigation for such impacts.
- That campus growth would contribute to the need for a new water supply source for the City of Santa Cruz.
- The adequacy of mitigations for impacts of campus growth on traffic congestion.
- Concerns regarding impacts of increased runoff from campus development, including erosion in on- and off-campus drainages and water quality in surface water and the karst aquifer.
- Concerns regarding impacts on biological and recreational resources that would result from development on the north campus.
- The extent of increased traffic and noise effects on neighborhoods of students living off campus.
- Concerns that the University will not implement proposed mitigations because of lack of funding.

Responses to all comments are in the Final EIR, Volumes IV and V.

***Mitigation Monitoring Program***

The UC Santa Cruz campus would be responsible for implementing all mitigation measures within the jurisdiction of The Regents. To ensure that all measures are implemented in accordance with CEQA, a Mitigation Monitoring Program (MMP) has been prepared and is included in the Final EIR (Volume IV). The MMP provides a reporting mechanism for the mitigation measures to reduce or avoid significant effects on the environment.

***Relationship to Other Plans and Projects***

The Final Draft 2005 LRDP provides broad parameters for organizing the growth and development of UC Santa Cruz. It is not an implementation plan or a commitment to specific development projects, construction schedule, or funding priorities. Each subsequent proposal for new development must be analyzed for consistency with the land use patterns in the 2005 LRDP (as approved by The Regents) and must be individually

approved after appropriate review by The Regents, the President, or by the Chancellor, as delegated by The Regents.

***Findings***

The Findings discuss the Final Draft 2005 LRDP and its environmental impacts, mitigation measures, mitigation monitoring program, and alternatives. The Findings also set forth overriding considerations for approval of the Reduced Enrollment Growth Alternative in view of its unavoidable significant impacts.

Acting Chancellor Blumenthal and Campus Architect Zwart provided a brief summary of the campus’ planning process. Acting Chancellor Blumenthal emphasized that, although the Santa Cruz campus’ academic ambitions would fully justify an enrollment of 25,000 by the year 2020, in deference to the concerns expressed by the community, the recommended goal was reduced to 21,000 in order to achieve excellence and grow at a sensible rate.

Acting General Counsel Blair reported that as the result of the publication of the Final EIR, the University received six letters regarding the project: one from a public agency, two from organizations, and three from individuals. The University has supplemented its recommendations. He recommended the addition of the phrase, “as revised by the September 19, 2006 Supplement to Item 102,” to the President’s recommendations with respect to certification of the Final EIR, Mitigation Monitoring Program, and Findings – paragraphs one, two, and four respectively. The Supplement was distributed to Regents in advance of the meeting.

Regent Hopkinson commented that the reduction in the enrollment growth was a significant compromise by the University in response to community concerns. She supported that recommendation but with some concerns about the future of UCSC. She believed that maintaining a high percentage of housing on campus was critical and was pleased that it was part of the recommendation. She urged Acting Chancellor Blumenthal to continue to pursue negotiations with the City and community if the LRDP EIR is approved.

Regent Hopkinson asked for further information about planned changes in the ratio of students to faculty and staff and the graduate-undergraduate ratio. Mr. Blumenthal explained that the number of faculty will grow as students are added, but efficiencies have been put in place that may make it unnecessary to increase staff equally. He stated that the ratio of graduate students to the total population of UCSC students is 9 percent. The campus’ goal is 15 percent; therefore, a much higher ratio of the 4,500 students to be added over the next 15 years will be graduate students.

Regent Ruiz expressed concern that lowering the planned enrollment growth by 20 percent threatened the vision that had been established for the Santa Cruz campus. Mr. Blumenthal recalled that when the campus was established at Santa Cruz, there was

an agreement with the City that the campus would grow to 27,500 students. The campus has been approving periodic updates to the Long Range Development Plan, with the result that the 1988 plan covered a finite period until 2005 and suggested an enrollment limit during the period of 15,000. The new plan would extend only to 2020 and add an additional 4,500. It is not a statement that the campus will not grow more after that.

Upon motion duly made and seconded, the Committee approved the President’s recommendation, as amended, and voted to present it to the Board.

4. **AMENDMENT OF THE BUDGET FOR CAPITAL IMPROVEMENTS AND THE CAPITAL IMPROVEMENT PROGRAM AND APPROVAL OF EXTERNAL FINANCING FOR SURGERY AND EMERGENCY SERVICES PAVILION, DAVIS MEDICAL CENTER, DAVIS CAMPUS**

The President recommended that:

- A. The 2006-07 Budget for Capital Improvements and the Capital Improvement Program be amended as follows:

From: Davis: Surgery and Emergency Services Pavilion – preliminary plans, working drawings, construction, and equipment – \$281,277,000, to be funded from hospital reserves (\$138,687,000), State Lease Revenue Bonds (\$102,590,000), and capitalized leases (\$40,000,000).

To: Davis: Surgery and Emergency Services Pavilion – preliminary plans, working drawings, construction, and equipment – \$424,475,000, to be funded from hospital reserves (\$256,885,000), State Lease Revenue Bonds (\$102,590,000), and external financing (\$65,000,000).

**Additions shown by underscore**

- B. The President be authorized to obtain external financing not to exceed \$65,000,000 to finance the Surgery and Emergency Services Pavilion project, subject to the following conditions:

- (1) Interest only, based on the amount drawn down, shall be paid on the outstanding balance during the construction period.
- (2) Repayment of the debt shall be from gross revenues of the UC Davis Medical Center funds.
- (3) 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.

Chancellor Vanderhoef informed the Committee that the requested augmentation will enable the campus to complete construction of the Surgery and Emergency Services Pavilion project. As of August 2006, construction stands at approximately 26 percent complete.

The project will provide replacement space for several critical functions now located in seismically deficient portions of the hospital. The project includes a new Level I Trauma Emergency Services Department; Radiology Imaging Department (with CT and MRI); Cardiology Services; Central Sterile Processing; 24 Inpatient Operating Rooms; two 10-Bed Surgical Intensive Care Units; a 12-Bed Burn Unit; Clinical Laboratory (hospital-based functions); Food and Nutrition Services; a new lobby; specialty clinics and administrative functions to include Patient Care Services; Pharmacy Operations; Interns and Residents Sleep/Support; Physician Referral; Access Services; Financial Clearance; and Telemedicine. Based on recent bids and current estimates of bid packages yet to be awarded, the project budget needs to be augmented for cost increases resulting from cost escalation, the volatile construction market, and other increases caused by conditions that were not anticipated at the time the project was originally budgeted.

In March 2002, The Regents amended the Budget for Capital Improvements and Capital Improvement Program to include preliminary plans funds of \$5,250,000 for the Surgery and Emergency Services Pavilion project. In November 2002, The Regents approved a total budget for the project of \$281,277,000 at CCCI 4350, to be funded from hospital reserves (\$138,687,000), State Lease Revenue Bonds (\$102,590,000), and capitalized leases (\$40,000,000). The Regents approved the project’s design in December 2002.

The Surgery and Emergency Services Pavilion project was initially conceived of as a single lump sum bid project when approved in November 2002. The Medical Center revised the project bidding strategy during value engineering reviews and schedule analyses by the project management team. By separating the project into multiple bid packages, the Medical Center was able to commence construction of the foundation, structural steel, and the major components of the building exterior envelope approximately six months earlier than originally scheduled. Unfortunately, the plans for the interior of the building were not approved by the Office of Statewide Health Planning and Development (OSHPD) until September 2005, approximately ten months later than originally scheduled. Two additional backcheck cycles were needed to obtain OSHPD approval due to the complexity of the project and the large volume of documents.

***Status and Need for Augmentation***

The augmentation request of \$143,198,000 results in a revised total project cost of \$424,475,000, at CCCI 4616, based on bids received through August 2006. In addition to providing sufficient funds to award bids received to date, the augmentation request also includes the cost of change orders executed to date, allowances for anticipated costs which have not yet been contracted, and negotiated increases in soft costs.

*Construction Cost Increases (+ \$135,298,000):*

During the past three years, market forces, labor shortages, and rising material costs have contributed to unprecedented increases in construction costs, particularly in the healthcare sector. This problem has been especially acute in California, where hospitals throughout the State are in the process of implementing plans to address seismic safety mandates established by the Legislature in 1996 (SB 1953). Davis-Langdon Associates (a national cost estimating firm) estimates that per-square-foot hospital construction costs in California increased by approximately 66 percent between January 2003 and January 2006 (the original project budget assumed an escalation rate of 3 percent a year, consistent with UCOP guidelines at that time). Never before in California's history have hospital costs grown so dramatically in a three-year period. The Sacramento marketplace has been particularly hard hit by these increases. Every hospital system in the region has one or more major projects underway with an aggregate value exceeding \$2.9 billion. In addition, there are several large-scale commercial projects under construction or in the pipeline.

The vast majority (81 percent) of the augmentation for the Surgery and Emergency Services Pavilion Project can be attributed to the regional bid climate and rapidly increasing cost of materials and labor. Several of the key bid packages (e.g., mechanical, electrical, plumbing, drywall, and framing) had only one bidder and there were several other smaller packages that had only two bidders. For those packages that were bid within the past six months, costs were 55 percent higher than pre-bid estimates when there was only one bidder. In contrast, for those packages with two or more bids, results were collectively within approximately 16 percent of the pre-bid estimate. Each of the pre-qualified bidders for the major trades that chose not to submit a bid was contacted directly by University staff and/or the construction manager. The primary reasons given for not submitting a bid was that they "simply didn't have the capacity to take on the project given the size, complexity, and other pre-existing commitments." Three other major factors contributed to increased construction costs:

- Program enhancements: The original design was modified to accommodate new technology and to provide appropriate space for key clinical initiatives that grew more rapidly than anticipated (e.g., an additional interventional suite and a holding area were "created" to support the Vascular program growth by modifying administrative and support areas included in the original design). Changes were also made to selected areas (a 10-bed ICU and the Emergency Department) to enhance the Medical Center's ability to treat patients exposed to

hazardous biological and chemical agents. Additionally, the design was modified to include the infrastructure required to support the use of automated guided vehicles. (These robotic vehicles can be used transport supplies, waste and other materials.)

- Unforeseen conditions: Hazardous materials were encountered during the excavation for the basement and building foundation. These materials and contaminated soil had to be removed and the site had to be monitored for an extended period of time. Another change involves the major utilities that feed the hospital complex. The original plan and cost model assumed that key utility feeds could remain in place; however, site conditions coupled with concerns about phasing and constructability issues forced the Medical Center to relocate these utilities as part of the project.
- Schedule delays: OSHPD approval took 10 months longer than anticipated. Extensive quality assurance corrections delayed the project an additional five months, and the rebid of selected trade packages (Mechanical and Plumbing) delayed the project an additional two months.

***Indirect/Overhead Cost Increases***

Indirect costs have also increased over the course of the project and include consultant costs for redesigning a portion of the second and third floor; on-site contract administration staff; increased support for project management and inspection staffing; a complete building commissioning program; and on-site inspection requirements at four separate steel fabrication plants, three in the western United States and one in Japan. The following summarizes these increases.

*A/E Fees (+ \$2,703,000):*

Increased fees in the executive architect/engineer basic services contract include additional services for:

- Bio-Containment: The third floor of new addition includes two, 10-bed intensive care units (ICU). The design of the mechanical and plumbing systems for one of these ICUs was modified so that it could safely accommodate patients exposed to transmissible biologic agents. Modifications were also made to the emergency room mechanical systems to minimize the risks of treating individuals exposed to hazardous materials and biological agents.
- Burn Center: The 25-year old existing Burn Center is undersized and in need of upgrading. The second floor space was redesigned to accommodate a 12-bed Burn Center. The area was originally designated for the Clinical Laboratory. Selected laboratory functions were relocated to a leased facility, as their testing could be accomplished in a non-hospital setting.



- Relocation of Central Plant Utilities: Detailed engineering studies completed after the project was approved in November 2002 determined that it would not be feasible to leave major utilities in place as envisioned at the time the project was approved by The Regents.

*Campus Administration (+ \$1,718,000):*

The phased bidding and OSHPD approval process required additional planning, coordination, and project management duties to be performed by department staff. These critical construction activities were retained in house in order to provide greater project control, increased oversight, and consistent quality assurance on a daily basis. These efforts required additional staff than what was provided for in the original budgeted single lump sum project. Project delays also contributed to staffing costs increases.

*Surveys, Tests (+ \$568,000):*

Additional surveys, testing, and reproduction costs were due to:

- The budget assumed a single lump sum project. The phased bidding process resulted in significantly higher volume of reproduction, increased advertising, and additional bidding documents.
- Materials testing and on-site factory inspection costs were higher than anticipated due to steel fabrication occurring at four different plants located in California, Idaho, Nevada, and Japan.

*Special Items (+ \$1,961,000):*

Due to the increase in the project's overall cost, additional OSHPD fees were incurred, as the fee is based on a percentage of the total project cost.

*Contingency (+ \$950,000):*

The contingency amount has been increased to keep it appropriate in relation to the higher project construction costs.

***Alternatives:***

The University examined options such as putting the project on hold, leaving significant areas of the project as shelled space, program scope reductions, and addition of bid alternates.

These options were evaluated but not implemented, for the following reasons:

- Approximately 66 percent of the Surgery and Emergency Services Pavilion assignable square footage is directly related to functions that must relocate from the seismically deficient North/South hospital wings. These wings will be demolished by 2013 under the mandates of SB 1953.
- The building envelope, foundations, and structural steel packages, and a portion of the core shell and tenant improvements are under contract and construction.
- Scope reductions in the inpatient surgical department and intensive care and burn center areas were studied; however, to meet the growing need for intensive care, burn, and surgical services in the Sacramento region, these major revenue producers were left as programmed. The financial gains and revenue increases generated by these specialized services represent solid income producers and are strong contributors to the operating margins of the Medical Center.
- Use of bid alternates was not recommended by the construction management firm, as it complicates the bid process and, if included, might have discouraged several subcontractors from bidding this complex project.

Prior to the rebid of the mechanical and plumbing packages, the plans and specifications were modified to eliminate certain non-mandatory features that were valued at approximately \$10 million.

***Financial Feasibility***

The total project cost is \$424,475,000 at CCCI 4616 and will be funded from State Lease Revenue Bonds (\$102,590,000), hospital reserves (\$256,885,000) and external financing (\$65,000,000).

The portion of the project to be funded from external financing totals \$65,000,000. Based on long-term debt of \$65,000,000 amortized over 30 years at 6.125 percent interest, the estimated average annual debt service will be \$4,785,511. Repayment of this debt will be from gross revenues of the UC Davis Medical Center funds.

Net income is projected to remain steady ending at \$30.9 million (4.58 percent margin) in 2009 the year before the opening of the project. Net income will decrease slightly to \$30 million (4.39 percent margin) in 2010 with the opening of the project, when

additional depreciation and interest expense are incurred. Throughout the projection period, the Medical Center's key financial ratios remain strong. The level of days of cash on hand is projected to decline to 40 days in 2010 as a result of funding the project but will grow to 67 days by 2011.

Sensitivity analyses were performed to evaluate the impact on income and other key financial indicators of selected changes in revenues and expenses. The analyses indicate that if a reduction in projected commercial contract and capitated rate increases were to occur with an increase in the assumed rate of labor inflation in 2007, certain key ratios, including days of cash and operating margin, would decline during the forecast period but improve by 2012, while debt service coverage would remain strong throughout the forecast period.

In all of the financial projections, the costs and benefits of future capital projects included in the Medical Center's capital plans, including the cost of medical equipment, are factored into the calculations. The plan includes projects which have not yet been approved and which would be regularly re-evaluated as to need, scope, and cost. Future projects will be deferred or eliminated as appropriate and necessary to ensure the Medical Center's financial viability.

Chancellor Vanderhoef, Dean Pomeroy, Executive Associate Director Boyd, and Acting Hospital Director McGowan discussed details of the project and showed slides.

Regent Johnson asked why the Medical Center's income is projected to decline between 2006 to 2012. Mr. McGowan responded that the projection represents the uncertainties in the Medi-Cal redesign program. The Medical Center took a conservative financial position.

Regent Ruiz was concerned about the financial viability of the project as costs escalate. He asked whether the Medical Center leadership share information based on their experiences with construction. Mr. Boyd responded that the campus had received helpful information from UCLA concerning its hospital project. That project had encountered difficulty in ensuring coordination between the equipment plan and the drawings. At UCDCM, an equipment planner/coordinator focused on coordination with the architects and engineers so as to avoid problems with timing.

Regent Hopkinson noted that the projected financial performance shows bad debt expense for 2006 at almost \$40 million, which at just under 5 percent of operating revenue seemed very high. Mr. McGowan responded that other hospitals are having similar experiences in the current climate. He reported that the Medical Center periodically reviews its bad debt expense to check that appropriate payments are being collected, but he noted that many of its clientele are indigents who are unable to pay for their care.

Upon motion duly made and seconded, the Committee approved the President's recommendation and voted to present it to the Board.

5. **AMENDMENT OF THE BUDGET FOR CAPITAL IMPROVEMENTS AND THE CAPITAL IMPROVEMENT PROGRAM FOR SPROUL HALL REPAIRS AND REFURBISHMENT, LOS ANGELES CAMPUS**

The President recommended that:

- A. The 2006-07 Budget for Capital Improvements and the Capital Improvement Program be amended as follows:

From: Los Angeles: Sproul Repairs and Refurbishment – preliminary plans, working drawings, and construction – \$18,843,000 to be funded from the Los Angeles campus’ share of University of California Housing System Net Revenue Fund Reserves.

To: Los Angeles: Sproul Repairs and Refurbishment – preliminary plans, working drawings, and construction – \$25,925,000 to be funded from the Los Angeles campus’ share of University of California Housing System Net Revenue Fund Reserves.

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

The Committee was informed that the project is included in the Five-Year Capital Program, Non-State and State Funds 2005-06 to 2009-10.

In December 2005, the Chairman of the Board, Chair of the Committee on Grounds and Buildings, and the President amended the Budget for Capital Improvements and the Capital Improvement Program to include the Sproul Repairs and Refurbishment project, on the Los Angeles campus, to include a total budget of \$18,843,000 at CCCI 4876 to be funded from the campus’ share of UCHS Net Revenue. The Project Planning Guide dated November 2005 and the Capital Improvement Budget dated September 7, 2005 were also approved.

***Project Description***

This project replaces and repairs obsolete building systems in Sproul Hall, a seven story 126,505 asf (204,228 gsf) undergraduate student residential facility built in 1960, with new and upgraded systems that are energy efficient and easy to maintain. The scope of work involves residential floors two through seven and occupied portions of the basement, representing 99,117 asf, and includes replacement and upgrades to the heating system and controls; hot and cold water piping; building power distribution, emergency power, branch circuit electrical grounding, lighting, fire alarm and elevator systems; refurbishment of interior finishes on the residential floors; replacement of bathroom fixtures; and replacement of the building windows.

An independent air conditioning system serving the student lounges would be bid as an additive alternate.

### ***Need for Budget Augmentation***

It was determined that a seven month extension of the project schedule would be needed to complete a coordinated set of working drawings and construct the project, due to greater complexity than originally anticipated in retrofitting an existing structure. At this time, construction documents are complete, and a 100 percent pre-bid cost estimate, fully reflecting the approved scope of work, has been completed. A budget augmentation of \$7,082,000 is necessary due to the following:

#### ***Construction Cost Increases (+\$6,679,000)***

Following project approval, a constructability analysis showed that the actual locations of structural elements and utilities would require additional site investigations and design changes to accommodate the new mechanical, electrical, and plumbing systems within the existing facility, and the Division of the State Architect required additional accessibility-related modifications to the bathrooms and student rooms. Based on these circumstances, it was determined that a seven month extension of the project schedule would be necessary to complete a coordinated set of working drawings and construct the project. Construction costs increased due to a combination of construction escalation which was under-budgeted in the previously approved budget and escalation associated with the seven month extended project schedule (+\$2,919,000). The project would also need to replace exterior sunscreens and upgrade the replacement window assemblies to include the addition of a second operable window in the student rooms in order to comply with energy efficiency provisions of Title 24 (+\$1,115,000) and replace and add light fixtures on the residential floors that were not included in the approved budget in order to achieve appropriate lighting levels in the corridors, bathrooms, and student lounges (+\$1,072,000). Additional scope items necessary to complete the work include reconfiguration and adjustments to the existing fire sprinkler system (+\$923,000); modifications to bathroom partitions and doors (+\$369,000); replacement of circuit breakers in the building's main electrical service panels (+\$330,000); protection and testing of existing communications cabling throughout the building (+\$224,000); and roof repairs (+\$198,000). These increases have been partially offset by the results of an ongoing value engineering effort ( \$471,000).

#### ***Soft Cost Increases (+\$189,000)***

External fees increased due to additional architectural and engineering services needed to retrofit building systems and components within an existing structure (+\$149,000). Internal fees increased due to higher than budgeted costs incurred for engineering review of construction documents (+\$25,000). Survey and testing costs increased to reflect higher projected costs for the printing of plans and specifications (+\$15,000).

#### ***Special Items Increases (+\$6,000)***

Special Items increased due to higher than budgeted costs projected for moving and staging (+\$5,000) and Fire Marshal review (+\$1,000).

*Contingency (+\$208,000)*

Contingency increased to support the revised construction budget (+\$208,000).

Construction is now scheduled to begin in January 2007, and is anticipated to be completed in April 2008.

***Green Building Design and Clean Energy Standards***

This project complies with the University of California Policy on Green Building Design and Clean Energy Standards. As required by this policy, the project will adopt the principles of energy efficiency and sustainability to the fullest extent possible, consistent with budgetary constraints and regulatory and programmatic requirements.

***Space Impact***

Building gross area affected by the work decreased from 167,517 gsf to 161,518 gsf, as less mechanical space would be affected than originally anticipated. Building assignable area affected by the project remains unchanged.

***CEQA Classification***

In accordance with the California Environmental Quality Act and the University of California Procedures for Implementation of CEQA, the project is categorically exempt under Article 19, Section 15301, Class 1, Existing Facilities.

***Financial Feasibility***

The total project cost, estimated to be \$25,925,000 at CCCI 4876, is to be funded from the Los Angeles campus' share of the UCHS Net Revenue Fund Reserves. Much of the impact on housing rates for existing beds from this project would be covered by revenue produced by past years' increases that were intended to cover the debt service for projects just completed or near completion. Because these previous projects are completing with lower overall costs for both construction and external financing, the associated revenues from those rate increases are now being applied to cover the cost of the proposed project, as well as future projects. In the first year of operation following completion of this project, the campus rate structure for all on campus residence hall contracts will increase approximately \$105 per bed to support the cost of this project and assist in returning UCHS reserves to their desired levels.

Upon motion duly made and seconded, the Committee approved the President's recommendation and voted to present it to the Board.

**6. AMENDMENT OF THE BUDGET FOR CAPITAL IMPROVEMENTS AND THE CAPITAL IMPROVEMENT PROGRAM FOR UCSF MISSION BAY HOSPITAL, SAN FRANCISCO CAMPUS**

The President recommended that:

- A. The 2006-07 Budget for Capital Improvements and the Capital Improvement Program be amended to include the following project:

San Francisco: UCSF Mission Bay Hospital – preliminary plans – \$34 million, to be funded from hospital reserves.

- B. The San Francisco campus return to the Committee on Grounds and Buildings at the March 2008 meeting to present a status of planning efforts, a completed schematic design, gift campaign, and financing plans for the UCSF Mission Bay Hospital.

Medical Center CEO Laret informed the Committee that the San Francisco campus requests approval to proceed with the Preliminary Plans (P) phase of the UCSF Mission Bay Hospital, to be funded from \$34 million in hospital reserves to complete all phases of preliminary planning for a 289-bed Children’s (183 beds), Women’s (36 beds), and Cancer (70 beds) Hospital complex, with ambulatory care, central utility plant, and related site infrastructure. The campus would like to accomplish build out of the three specialty hospitals as soon as possible in order to maximize operational efficiencies related to shared diagnostic and support services and to maximize flexibility.

UCSF Medical Center’s major inpatient facilities, Moffitt and Long Hospitals, are functionally obsolete and operating at capacity. Capacity must be expanded to accommodate growth, improve inpatient care, and generate revenue to help pay for Moffitt Hospital’s replacement by 2030 to comply with State seismic regulations for hospitals as mandated by Senate Bill (SB) 1953. In addition, Mount Zion Hospital’s inpatient facilities must be seismically upgraded or closed by January 2013 in order to comply with SB 1953. In March 2005, The Regents adopted the Long Range Development Plan Amendment #2, which included a proposed Mission Bay Children’s, Women’s, and Cancer Hospital complex and would allow closure of inpatient facilities at Mount Zion by January 2013.

In January 2006, the UCSF Medical Center presented an update of its clinical facilities planning to The Regents. It was explained that construction cost estimates for the initial hospital project at Mission Bay had increased beyond the anticipated funding resources. This made it imprudent to develop the Women’s, Children’s, and Cancer Hospitals as planned at Mission Bay within the SB1953 2013 deadline. As a result, the campus developed an alternative plan for addressing the seismic issues at Mount Zion. Under the alternative plan, the Mount Zion 2013 deadline is addressed by making seismic improvements to Mount Zion inpatient facilities to allow it to continue to accommodate

inpatient activities until 2030 and to add beds and operating rooms in order to generate revenue to help pay for new hospital development at Mission Bay. In March 2006, The Regents approved preliminary plans for the SB1953 Mount Zion Buildings A, B, and D Seismic Upgrades and Clinical Expansion (Mount Zion retrofit) project in the amount of \$13.5 million, to be funded from hospital reserves, with a total project cost of \$250 million to \$300 million. The Mount Zion retrofit project was developed in order to ensure that UCSF Medical Center has a feasible plan to meet the Mount Zion's 2013 seismic compliance deadline.

The campus is proposing to proceed with two parallel planning tracks through December 2007 by commencing with design for both the Mount Zion retrofit, as approved by The Regents in March 2006, to meet the SB 1953 deadline, and the proposed Mission Bay hospital. During this time the campus would do substantial ground work and feasibility analysis for fundraising. If sufficient funding can be secured and pending legislation (SB 1661) is passed to extend the time to complete the Mission Bay hospital to January 1, 2015, then the campus could meet the seismic compliance deadline by building the proposed Mission Bay hospital rather than by investing in obsolete buildings at Mount Zion. By the end of 2007, the UCSF Medical Center would decide whether to proceed with SB 1953 seismic compliance work at Mount Zion or construct the Children's, Women's, and Cancer Hospitals at Mission Bay. Use of planning funds for both the Mount Zion retrofit and the proposed Mission Bay hospital during the next 18-month period would be carefully managed.

In order to meet the pending SB 1661 January 1, 2015 deadline and the Office of Statewide Health Planning and Development's (OSHPD) requirements, design for the Children's, Women's, and Cancer Hospitals must commence. The campus anticipates planning, design, and OSHPD review to take four years, in advance of construction, which requires the campus to start planning and design immediately. Planning and design development would provide essential details on how the three specialty hospitals would connect into one complex. The planned design would give the campus a basis for accurate cost estimates.

Additionally, the planning for the Mission Bay hospital would generate the materials necessary to support fundraising for the Children's, Women's, and Cancer Hospitals. Fundraising materials that are based on the actual hospital design and architects' renderings will help to generate donor interest not only in the hospitals overall but also in specific naming opportunities within the hospitals. The challenging timetable for construction and fundraising requirements for budget approval and construction make it imperative that the hospitals' design be developed as soon as possible.

While the timetable for development of each component of the hospital complex is uncertain and dependent on fundraising, it is important to develop the design documents now since the UCSF Medical Center is committed to this project, as expressed in the UCSF LRDP Amendment #2, which was adopted by the Regents in March 2005. If funding can be secured, the campus would prefer to develop the Mission Bay Hospital



in one phase in order to maximize efficiencies. Depending on the capital funding that becomes available through philanthropy and other sources, the campus anticipates requesting full budget approval in the future for the children's component and any other components (women's and/or cancer) that appear feasible to construct in the first phase of clinical development at Mission Bay.

The San Francisco campus will return to the Committee on Grounds and Buildings at the March 2008 meeting to present a status of planning efforts, completed schematic design, and gift campaign and a feasible financial plan for the UCSF Mission Bay Hospital.

### ***Project Description***

The proposed Mission Bay Hospital in Phase One (777,000 gsf) would accommodate 289 beds consisting of a 183-bed Children's Hospital, a 36-bed Women's Hospital, a 70-bed Cancer Hospital, related ambulatory care, central plant, and site infrastructure. Not included in this item is the design for the additional facilities that the UCSF Medical Center plans to build, including parking, faculty office buildings, and translational research space. The project would include three specialty hospitals:

- The Children's Hospital project would include a 183-bed hospital and with diagnostic and support services with a central utility plant, site infrastructure, underground utility tunnel, helipad, demolition of existing buildings and Group 2 and 3 equipment; additionally, the project would include a pediatrics ambulatory care facility.
- The Women's Hospital project would include a 36-bed hospital with diagnostic and support services and limited women's ambulatory care facilities.
- The Cancer Hospital project would include a 70-bed hospital with diagnostic and support services and limited cancer ambulatory care.

The current timetable anticipates construction to begin in 2009 and be completed by December 31, 2012, provided that funding is secured.

***CEQA Compliance***

The Final Environmental Impact Report for the Long Range Development Plan Amendment #2 - Hospital Replacement, certified on March 17, 2005 (State Clearinghouse No. 2004072067), provided the environmental analysis for the hospital replacement program at the Mission Bay site. This project is consistent with the LRDP Amendment #2. Further project-specific environmental analysis would be prepared and would be reviewed in conjunction with project design approval.

***Funding Plan***

Development of preliminary plans is estimated to require \$34 million and would be funded from hospital reserves. This P request would provide funds through design development for the Children’s, Women’s, and Cancer Hospitals and related ambulatory care facilities.

The total estimated project cost at build out of all three specialty hospitals, ambulatory care, central plant and site work is estimated to be between \$1 billion and \$1.3 billion:

- The Children’s Hospital project would include a 183-bed hospital and related support services, equipment, infrastructure, and demolition at an estimated cost of \$794 million, plus a pediatrics ambulatory care facility for an estimated cost of \$94 million. The combined estimated total project cost would be \$888 million.
- The Women’s Hospital project would include a 36-bed hospital at an estimated cost of \$107 million, and women’s ambulatory care facilities at an estimated cost of \$23 million, for a total estimated project cost of \$130 million.
- The Cancer Hospital would include a 70-bed hospital at an estimated cost of \$225 million and cancer ambulatory care facilities at an estimated cost of \$5 million, for a total estimated project cost of \$230 million.

***Concurrent Regental Action***

At this Regents meeting, the San Francisco campus is requesting approval of land acquisition of Parcel X3 (1900 Third Street) to complete land assembly for the Mission Bay Hospital Replacement Site.

***Future Regental Action***

At a meeting subsequent to the March 2008 meeting, pending the level of philanthropic support the San Francisco campus will return to The Regents to request an amendment of the Budget for Capital Improvements and the Capital Improvement Program for the total cost of all phases of all projects (PWCE: preliminary plans, working drawings, construction and equipment), approval of the financing plan, and approval of the design.

Regent Johnson asked what would determine the final decision to build a new facility for women and children as opposed to retrofitting the Mount Zion Hospital. Mr. Laret responded that the details are being analyzed. He believed that the important question is whether the campus can expect to receive sufficient philanthropical support necessary for a project the size of the Mission Bay hospital complex.

Upon motion duly made and seconded, the Committee approved the President's recommendation and voted to present it to the Board.

7. **AMENDMENT OF THE BUDGET FOR CAPITAL IMPROVEMENTS AND THE CAPITAL IMPROVEMENT PROGRAM FOR MISSION BAY CARDIOVASCULAR RESEARCH BUILDING (17 A/B), SAN FRANCISCO CAMPUS**

The President recommended that the 2006-07 Budget for Capital Improvements and the Capital Improvement Program be amended as follows:

San Francisco: Mission Bay Cardiovascular Research Building (17 A/B) – preliminary plans – \$6.4 million to be funded from gift funds.

Senior Vice Chancellor Barclay informed the Committee that the San Francisco campus requests approval to proceed with the Preliminary Plans (P) phase of the Mission Bay Cardiovascular Research Building (CVR) on Block 17A/B, supported with \$6.4 million of gift funds. Regental approval of the full budget would be requested in the future.

The building would be planned to provide 127,000-137,000 asf (215,000-232,000 gsf) of new space for a total project cost of approximately \$210 million to \$241 million, to be supported with a preponderance of gift funds, augmented by campus funds and external financing. This would result in a total project cost of \$905 to \$1,041 per gsf. The proposed CVR Building would accommodate 48 Principal Investigators. Thirty would be from the Cardiovascular Research Institute (CVRI) and 18 from other departments.

The current Mission Bay campus research community consists predominantly of basic research scientists (in Genentech Hall and Rock Hall), consistent with the original vision for Mission Bay as a basic, biomedical research campus. The UCSF Long Range Development Plan Amendment #2, which was adopted in March 2005, called for two major integrated campus sites (at Parnassus and Mission Bay) with clinical care co-located with basic and translational research programs. The proposed CVR building would further implement the vision for an integrated basic, clinical, and translational research campus co-located with clinical facilities. The researchers proposed for the CVR building would collaborate with scientists located throughout the Mission Bay campus, including the newly constructed Gladstone Institute of Cardiovascular Disease Building adjacent to the UCSF campus on Owens Street.

Cardiovascular disease is the number one cause of disability and death in the United States. UCSF has long been an international leader in the drive to discover new treatments and cures for heart attack, stroke, and vascular disease. Since its founding in 1958, the CVRI has fostered multidisciplinary research programs that have led to important new therapies. The construction of the proposed building would enable the Cardiovascular Research Institute to accelerate its contributions to the field of cardiovascular medicine by providing for currently needed space and expansion.

The proposed project would include eight scientific neighborhoods to provide unique opportunities for collaboration. The eight cardiovascular programs would include: (1) Vascular Biology and Atherothrombosis; (2) Metabolism, Obesity, and Metabolic Disease; (3) Developmental Biology and Congenital Anomalies; (4) Pulmonary Development and Lung Disease; (5) Channels and Arrhythmias; (6) Myocyte Biology and Heart Failure; (7) Prediction and Prevention of Cardiovascular Disease; and (8) Advanced Technologies. The building and its programs would also serve as a fertile ground for students in UCSF's Medical Scientist Training Program, which bridges the basic and clinical sciences in training future physician scientists in disease oriented research.

With leading edge technology, a deliberately integrative approach, and a new building at Mission Bay, CVRI would be poised to attract some of the world's outstanding scientists to complement its current prominence under the recognized leadership of Director Shaun Coughlin. The proposed building would fulfill a commitment to foster the relationship between basic and translational research and training, addressing multiple goals within the School of Medicine and UCSF.

UCSF cardiovascular research has long faced space constraints at Parnassus Heights. More than two decades ago, UCSF helped establish the Gladstone Institute of Cardiovascular Disease in space at San Francisco General Hospital with the understanding that the institute would be committed to cardiovascular research and retain an ongoing relationship with UCSF. The Gladstone Institute constructed a new building at Mission Bay adjacent to the UCSF campus (on Owens at 16th Street), which the institute relocated to one year ago. Mission Bay would be an ideal location for UCSF's programs in cardiovascular disease, not only for the collaboration with scientists on the UCSF campus, but also to foster the continued synergistic research relationship with the Gladstone Institute.

***Project Description***

The proposed wet research laboratory building would provide approximately 127,000-137,000 asf (215,000-232,000 gsf) in five stories for 48 basic and clinical science faculty. The first floor would be occupied by CVRI administration, common and meetings areas, and building support. The 2nd, 3rd, and 4th floors would be wet laboratories (H 8 lab occupancy) connected to office pods (B occupancy). Bench laboratory and support areas would be stacked by floors for efficient layout and distribution of services. Typical lab

spaces would be designed for flexibility and standardized throughout the building. The 5th floor of the building would contain barrier and non-barrier vivarium space. The overall building height would be 85 feet to the parapet, consistent with the Mission Bay Master Plan.

The proposed project would include the following:

*Lab Areas:* The building would contain three floors of wet laboratory space and be designed in an open, modular layout to maximize flexibility. The project would include bench laboratory areas with an approximately one to one ratio of typical wet bench lab area to lab support space.

*Lab Support:* The project would include lab support areas such as procedure rooms, equipment alcoves, environmental rooms, tissue culture rooms, sterilizer/glass wash rooms and dry dark room. Shared support spaces and open lab zones would foster interaction and collaboration. Both the bench and lab support areas would be designed as generically as possible to maximize flexibility.

*Vivarium:* The project would include vivarium space containing a mix of holding (for small and large animals and aquatic species), rearing, and surgical procedure rooms, as well as support area for functions such as sterilizers, storage, offices, and lockers. The vivarium would have barrier and non-barrier space and only minimal cage washing. The main cage washing facility is elsewhere on campus. A small MRI would be located on the ground floor with a dedicated elevator to the top floor vivarium.

*Office Space:* Office space would include academic offices and provide a collegial and quiet work area outside, but adjacent to the labs. The office suites would also incorporate shared functions, including conference rooms, administrative support space, and an open interaction/break space.

*Building Support:* Building support functions provided by this project would include materials handling, auditorium and pre-function area, lobby/reception, mail room, loading dock/staging area and dock office, maintenance storage, environmental health and safety handling areas, and data server rooms.

Construction is planned to begin July 2008 and be completed April 2011.

### ***Green Building Design and Clean Energy Standards***

This project would comply with the University of California Policy for Green Building Design and Clean Energy Standards dated June 16, 2004. As required by this policy, the project would adopt the principles of energy efficiency and sustainability to the fullest extent possible, consistent with budgetary constraints and regulatory and programmatic requirements. Specific information regarding energy efficiency and sustainability would be provided when the project is presented for design approval.

***CEQA Classification***

The 1996 LRDP Environmental Impact Report (LRDP FEIR) and 2001 SEIR provided the environmental analysis for the Mission Bay site, which included review for the 2.65 million gsf capital program. This project is consistent with the LRDP. Further building specific environmental analysis would be prepared in an addendum to the 1996 LRDP and would be reviewed in conjunction with project design approval.

***Funding Plan***

Development of preliminary plans would not exceed \$6.4 million and would be supported with gift funds. Sufficient gifts have been raised to cover the cost of preliminary plans.

As of August 2006 the status of gifts is as follows:

Gifts in hand	\$ 16,663,000
Gifts pledged	13,337,000
Gifts to be raised	<u>158,500,000</u>
	\$ 188,500,000

The total project cost is estimated to be \$210 million to \$241 million, excluding Group 2 and 3 equipment. The project would be funded with a preponderance of gift funds, augmented by campus funds and external financing. The estimated total project cost is \$905 to \$1,041 per gsf, and \$570 to \$656 per gsf for construction costs.

Vice Chancellor Spaulding reported that donations for this project have been particularly generous. The campus has received a signed commitment of \$30 million from one donor and a verbal commitment of \$50 million with the possibility that it will be matched. The enthusiasm of the donor community has been greater than for any other Mission Bay building.

***Future Regental Action***

At a future meeting, the campus would request Regental approval of the total project cost of the building (PWCE: Preliminary Plans, Working Drawings, Construction and Equipment), and approval of the financing plan.

Upon motion duly made and seconded, the Committee approved the President’s recommendation and voted to present it to the Board.

8. **AMENDMENT OF THE BUDGET FOR CAPITAL IMPROVEMENTS AND THE CAPITAL IMPROVEMENT PROGRAM FOR NORTH CAMPUS HOUSING, SAN DIEGO CAMPUS**

The President recommended that:

- A. The 2006-07 Budget for Capital Improvements and the Capital Improvement Program be amended as follows:

From: San Diego North Campus Housing – preliminary plans – \$5,000,000 to be funded from the San Diego campus’ share of University of California Housing System Net Revenue Reserves.

To: San Diego North Campus Housing – preliminary plans, working drawings, construction, and equipment – \$122,220,000 to be funded from external financing (\$119,000,000) and Bookstore Reserves (\$3,220,000).

- B. The President be authorized to obtain external financing not to exceed \$119,000,000 to finance the North Campus Housing project, subject to the following conditions:

- (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, University of California Housing System fees for the San Diego campus shall be established at levels sufficient to provide excess net revenues sufficient to pay the debt service and to meet the related requirements of the proposed funding.
- (3) 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.

Assistant Vice Chancellor Mathews informed the Committee that the San Diego campus requests approval of the North Campus Housing project totaling approximately 240,100 asf, at a total project cost of \$122.22 million. The North Campus Housing project would construct 1,006 new student beds (996 revenue beds and 10 non-revenue beds) in furnished apartment units for single undergraduate transfer and upper-division students. The proposed housing would be all campus housing and not associated with an individual college.

The North Campus Housing project is essential to meet current and future needs of transfer and upper-division undergraduate students at UCSD. It is a component of the campus housing plan and would build a minimum 1,000 critically needed student beds on the main campus.

Single undergraduate students are currently housed in one of the six college neighborhoods (Revelle, Muir, Thurgood Marshall, Eleanor Roosevelt, Warren, and Sixth). This housing provides a total of 6,785 permanent beds for these students as of October 2006. All first year students who meet the application requirements receive a two year guarantee of housing. Fulfillment of this two year guarantee for new first year students uses UCSD's entire supply of undergraduate housing, leaving no bed availability for upper-division and transfer students. By exception, the only upper-division students currently housed on campus have scholarships that guarantee housing. These Regents Scholars, National Merit Scholars, and Education Abroad Program participants filled 326 spaces of the 6,785 available in October 2005.

To meet demand, as of July 2006, UCSD Housing will assign 2,097 new first year students in triple rooms (three students in a room design capacity of two). This extraordinary step will enable the campus to accommodate an additional 699 new students and uphold the two year guarantee. At this time, Housing has an active waiting list of 572 new and continuing students for fall 2006 and a waiting list of 384 winter first year student admits of which few, if any, will be accommodated. Most continuing students do not bother to list themselves on the waiting list because it is common knowledge that there is no residual capacity.

Current demand for student housing at the San Diego campus cannot be met without an increase to the total number of beds. It is the goal of the San Diego campus (as stated in the 2004 LRDP) to house 50 percent of eligible students (undergraduates and graduates) in campus-owned facilities. As undergraduate enrollment at the San Diego campus is expected to continue to grow through 2010-11, it is clear that demand for housing will continue to exceed the available San Diego campus housing stock for some time.

More than two-thirds of new UCSD transfers originate from outside of the San Diego region. Consequently, living on campus would greatly facilitate their successful transition to the region, integration into the academic and social life of the campus, and adjustment to life away from home. With occupancy of the proposed project, transfer students would have priority for living on campus in these spaces, with other upper-division students having the next priority. The housing contracts for these North Campus Housing units would be for twelve months, as compared to typical nine-and-a-half-month contracts, with options for a second year depending on demand and available space. Between 30 percent and 36 percent of new transfer and upper-division students are expected to take advantage of this new on campus housing opportunity.

Strongly affecting the demand for on campus housing is the shortage of reasonably priced rentals in UCSD's surrounding community. UCSD is located in La Jolla, an area where housing costs are extremely high. The apartment vacancy rate in the UCSD area is currently 3.4 percent (based on the San Diego County Apartment Association Vacancy and Rent Survey dated June 2006). Rent prices in the local UCSD community are among the highest in the county. UCSD's 2006-07 on campus or campus-owned undergraduate housing rates (not including meal plans) average \$700 per student per month. This is



below the market rate of \$892 per student per month for a two-bedroom (two-student) apartment in the University City area surrounding UCSD.

In addition, approximately 800 apartments located in the surrounding University City area have been or are being converted into condominiums, with approximately 500 additional private apartments in the process of seeking approval for conversion. These condo conversions are further reducing the number of available rental units close to the campus, where transfer and upper-division students would typically live. The proposed project would provide affordable housing for undergraduate transfer and upper-division students, which is essential for the recruitment and retention of these students.

### ***Project Description***

The proposed North Campus Housing project would house approximately 1,006 students and 3 professional staff in apartment units comprised of two, three, and four bedrooms. Each apartment would have a living-dining-kitchen area, shared bathroom(s), and storage area. A project goal is to provide approximately 30 percent single and 70 percent double bedrooms. The housing would be located on approximately 5 acres of the main campus' North Campus neighborhood, within walking distance of the Pangea and Hopkins parking structures. This facility would displace 737 parking spaces which are being replaced in the Hopkins Parking Structure (under construction). The cost of replacement parking is \$3,240 per space. The resulting \$2,388,000 would be funded from the UCSD campus' share of University of California Housing System (UCHS) annual net revenues.

The proposed project would include approximately 240,100 asf of space, including approximately 225,000 asf of apartment space, approximately 10,000 asf of common spaces such as vending, laundry, mail areas, and administrative offices, and approximately 5,100 asf of retail space. The retail space would include a 2,000 asf café and a 3,100 asf satellite bookstore to serve the North Campus neighborhood.

The project is expected to consist of a combination of nine buildings that are three to five stories in height and one fourteen-story building. Each of the low- and mid-height buildings would be Type III and V construction, and the tallest building would be Type I construction. Complementary outdoor spaces would be developed to accommodate a variety of activities for the residents.

### ***Green Building and Clean Energy Standard***

The project will comply with the University of California Policy for Green Building Design and Clean Energy Standards dated June 16, 2004. As required by this policy, the project will adopt the principles of energy efficiency and sustainability to the fullest extent possible, consistent with budgetary constraints and regulatory and programmatic requirements. Specific information regarding energy efficiency and sustainability will be provided when the project is presented for design approval.

Construction is scheduled to begin in July 2007, with occupancy in June 2009.

***CEQA Classification***

In accordance with the University of California guidelines for the implementation of the California Environmental Quality Act of 1970, a Tiered Initial Study/Mitigated Negative Declaration will be prepared for consideration by The Regents in conjunction with the project design review and approval at a future meeting.

***Financial Feasibility***

The total project cost of \$122,220,000 at CCCI 5095 would be funded from external financing (\$119,000,000) and bookstore reserves which fund the construction cost of the satellite book store (\$3,220,000). Based on long-term debt of \$119,000,000 amortized over 30 years at 6.125 percent interest, the estimated average annual debt service for the project would be approximately \$8,761,000. Payment of the debt service would be from the San Diego campus' share of the UCHS annual net revenues.

The average rental rate for the new apartments in this project would be \$935 per student per month in 2009-10, rising to \$1,060 in 2010-11. Actual rent per student would be based on features related to the specific unit of occupancy, such as single or double room; high rise or low rise; and ground floor or top floor.

In response to a question asked by Regent Coombs, Mr. Mathews reported that the campus guarantees two years of housing for all students who qualify. Currently, 33 percent of those are housed on the campus.

Regent Hopkinson asked why projects of this nature require amendment of the Capital Improvement Program instead of receiving blanket approval when the Capital Improvement Program is approved for the year. Deputy to the Senior Vice President Hoffman responded that when the campus came forward to request \$5 million for preliminary plans, that portion was put into the Capital Improvement Program. This action includes the entire \$122 million project for this year. The University does not have an annual plan; in November, the Committee will review a five-year capital program. Only State funds are approved annually; the non-State plan is approved project by project. Regent Kozberg advised Assistant Vice President Bocchicchio that the committee of vice chancellors who are reviewing the University's construction process should consider whether this is the best approach.

Upon motion duly made and seconded, the Committee approved the President's recommendation and voted to present it to the Board.

9. **PRELIMINARY REVIEW OF DESIGN, NORTH CAMPUS HOUSING, SAN DIEGO CAMPUS**

This item was withdrawn by the Office of the President.

10. **ADOPTION OF ADDENDUM TO NEGATIVE DECLARATION, ADOPTION OF FINDINGS, AND APPROVAL OF DESIGN, LOGISTICAL SUPPORT/SERVICE FACILITIES BUILDING, MERCED CAMPUS**

The President recommended that The Regents:

- A. Adopt the Addendum to the Negative Declaration for the Logistical Support/Service Facilities Building.
- B. Adopt the Findings in their entirety.
- C. Approve the design of the Logistical Support/Service Facilities Building, Merced campus.

[The Addendum to the Negative Declaration and Findings were mailed to Regents in advance of the meeting, and copies are on file in the Office of the Secretary.]

Associate Vice Chancellor Lollini recalled that in January 2003, The Regents approved the Logistical Support/Service Facilities Building, Merced campus, for inclusion in the 2003-2004 Budget for Capital Improvements and the 2003-08 Capital Improvement Program at a total project cost of \$10,000,000 at CCCI 4019. The State General Obligation Bond will fund this project. The total project cost is currently \$10,164,000 at CCCI 4100, which is documented in the July 17, 2003 Addendum to the Project Planning Guide.

In April 2004, the Office of the President approved the appointment of RNL Design of Los Angeles as Executive Architect for this project.

In June 2004, The Regents adopted a project Negative Declaration, approved and incorporated into the project all project elements and the relevant 2001 campus Long Range Development Plan Environmental Impact Report mitigation measures, adopted the Environmental Findings in their entirety, approved the design of the Logistical Support/Service Facilities Building, Merced campus, and amended the 2001 campus Long Range Development Plan.

The campus bid the Logistical Support/Services Facility (LSSF) in May 2006. Two bids were received; the low bid was 60 percent over the construction budget. The campus had previously taken steps to mitigate potential bid overruns, such as value engineering, but the strategies were not enough to compensate for the extraordinary increase in construction costs in a difficult Merced construction market.

The LSSF building design was developed at the same time as the design for the Corporation Yard Building (part of the State-funded Site Development and Infrastructure

Project, Phase 3) in such a way as to form a complementary pair of facilities to accommodate Facilities Management (offices, maintenance shops, and warehouse) and Environment, Health and Safety (offices, storage and materials handling). The facilities were to share a common loading dock and corporation yard.

Increasing construction costs, a small labor pool, and a shortage of bidders contributed to failed bids (i.e. no bidders for the Corporation Yard Building), and failed bids for the LSSF project, with bids greatly exceeding the budget. In response, the campus concluded that it could not build the original two projects as designed and budgeted. A slightly reduced project scope, however, can be accommodated by a combination of existing space and by constructing new facilities for the LSSF.

The original Corporation Yard Building (14,000 asf) and the original LSSF project (20,600 asf) totaled 34,600 asf. The Corporation Yard Building is no longer affordable within the State-funded Site Development and Infrastructure project and will not be built. Instead, the LSSF project is proposed to be reconfigured as three new metal buildings plus use of existing space on campus and at the UC Merced Castle facilities in Atwater to accommodate the same functions as originally approved.

Logistical Support/Service Facilities "A" would accommodate the majority of the original program elements, including space for Facilities Management and EHS (offices, shops, mail services, materials management, warehouse, and storage with a loading dock). LSSF "B" would provide additional warehouse and multipurpose space. LSSF "C" would be a separate self-contained EHS materials unit to accommodate hazardous materials. The campus has determined that this strategy is the most economical and that it would optimize use of the site while accommodating the majority of program elements originally approved.

Remaining program elements would be accommodated in existing UC Merced facilities. A converted laboratory in the existing Science and Engineering Building (900 asf) on campus already functions as an EHS materials handling area. The Castle Aviation Center Building 1200 in Atwater California provides about 17,100 asf of additional warehouse and additional multi-purpose space within the facility. This combined strategy nets a total of 35,200 asf, which is comparable to the original space plan and program of 34,600 asf. Current bid strategies include the use of "add alternates" for extra bays onto Building "B." This could substantially increase the basic program and decrease the building unit cost.

### ***Project Site***

The site for the proposed new facility remains in the northeast region of the Phase 1 campus, the same location as the previously proposed LSSF Building. The building is adjacent to the Central Plant Building and the Telecom Building and the site is 1.44-acres. The use is in accordance with the 2001 Long Range Development Plan as amended.

***Project Design***

The facility consists of three metal buildings designed to contain 17,200 asf (21,500 gsf). LSSF "A" and LSSF "B" will be constructed with metal siding, factory finished aluminum windows, and energy efficient dual pane glazing. LSSF "C" will be a pre-manufactured, self-contained metal building designed for its special use. The buildings complete a defined group that includes the Central Plant Building and Telecommunications Building. The Logistical Support/Service Facilities Buildings' palette of materials is consistent with and reinforces the utilitarian nature of the Central Plant Building and Telecom Building group.

The campus has conducted a Design Review of the design of the Logistical Support/Service Facilities Building complex. Independent cost analysis has been conducted. The Office of Physical Planning, Design and Construction will manage this project. This project will be developed using a modified design-build delivery method.

***Sustainability***

This project will comply with the University of California Policy on Green Building Design and Clean Energy Standards approved by The Regents in July 2003, as well as with the Presidential Policy for Green Building Design and Clean Energy Standards (June 2004). As required by these policies, the project will adopt the principles of energy efficiency and sustainability to the fullest extent possible, consistent with budgetary constraints and regulatory and programmatic requirements.

***Environmental Impact Summary***

Pursuant to State law and University procedures for implementation of the California Environmental Quality Act (CEQA), a Negative Declaration was prepared for the LSSF when it was initially approved in June 2004. The Initial Study/Negative Declaration was circulated to the public, Responsible Agencies, and to the State Clearinghouse for a 30-day review period from May 5, 2004 to June 3, 2004.

The Negative Declaration identified the applicable LRDP EIR mitigation measures in the areas of Aesthetics, Air Quality, Biological Resources, Cultural Resources, Public Services, Recreation, and Traffic, Circulation, and Parking. No project specific mitigation measures were required. Relevant Mitigation measures from the LRDP EIR will be monitored as part of the overall LRDP EIR mitigation monitoring program.

An Addendum to the Negative Declaration describes the current project elements and how they compare to the project approved by The Regents in 2004. None of the changes to the project is substantial or creates new significant impacts. The LRDP EIR and the IS/ND fully analyzed the impacts of the project and mitigation. Additional analysis is not required.

***Findings***

The Findings discuss the project’s impacts and mitigation and determine that the benefits of the LSSF Project outweigh the significant and unavoidable adverse environmental effects that will result from its implementation.

Regent Coombs noted that as the campus grows, a greater amount of caustic materials will be produced. He expressed the concern that when this portion of the campus is built out, the project will be relatively central. Mr. Lollini responded that the site is isolated even in the long-range plan and that the volume of hazardous materials produced on campus is actually decreasing through practice.

Upon motion duly made and seconded, the Committee approved the President’s recommendation and voted to present it to the Board.

**11. UPDATE ON IMPLEMENTATION OF COST REDUCTION STUDY RECOMMENDATIONS**

It was recalled that at the November 2005 meeting, the President provided a strategy for implementing the six recommendations of the report commissioned by The Regents entitled, *Transforming Capital Asset Utilization and Delivery: Opportunities for Reducing Project Costs and Achieving More Program for the University’s Capital Dollar*.

Assistant Vice President Bocchicchio reported on what the vice chancellors have done to move forth the implementation of additional cost reduction measures as well as the

recommendations in the report. He recalled that the expert committee's first recommendation was to establish ownership, accountability, and authority at each campus for the capital program. Vice President Hershman, in consultation with Committee Chair Kozberg, asked each chancellor to map the authorities and responsibilities for each part of the capital program on each campus. The outcome of this effort will be reported at a future meeting. The areas asked for included managing assets and operating costs associated with those assets; integrating capital planning and campus strategic goals; generating and prioritizing capital and non-capital solutions to meet those programmatic goals; deciding upon competing alternatives; and finding and implementing solutions that might be real estate, new buildings, renovation of existing facilities, or modifications to the operations of a facility to meet programmatic initiatives.

Mr. Bocchicchio referred to the third recommendation from the expert committee to develop a shorter, simpler process or streamline the capital process to shorten the time frame. In 1997, the University, along with the California State University, proposed to the State the adoption of a streamlined process for projects that would require State approval just once for all phases in successive years. Since then, Vice President Hershman has proposed further streamlining of the State capital process. The University expects to join with CSU and other State agencies again to find further streamlining possibilities and try to achieve some flexibility in the process for university projects.

Mr. Bocchicchio recalled that the fourth recommendation was to develop a more robust, flexible contracting environment, suggesting that the University reexamine the way in which its construction contracts allocate risk between the owner and the contractor. That exercise resulted in twelve initial changes to the University's contracts that went into effect on September 1. In a second phase, the University will join the subcontractor community to evaluate those contracts and develop revisions.

Mr. Bocchicchio recalled that the University had sponsored SB 667, which is awaiting signature by the Governor. It involves best value contracting, enabling the selection of contractors on both price and the ability to implement a project.

Mr. Bocchicchio reported that Vice President Hershman had asked the administrative vice chancellors to reconsider the cost study and submit further recommendations. They have formed a group and provided some good ideas. Vice Chancellor Brase provided an update on those, reporting that the campuses were sharing lessons learned. The first task completed was a review of thirteen proposals covering possible changes in State rules and regulations and UC's contractual and risk management practices. Of these, eleven were considered feasible and worth pursuing. Many are already being implemented.

Mr. Brase reported that the issue of unrelenting cost escalation is the greatest challenge facing the University's capital budget. The group of vice chancellors is going beyond the specifics of the recommendations offered by the expert panel to look at ways in which the University's business model for construction may be out of synchronization with the market for materials and services. The group intends to review governance issues and

behaviors and attitudes that may affect the University’s performance, as well as the techniques and practices that characterize the business model and to report its findings to the Committee.

Regent Hopkinson believed that changing the University culture with regard to contracting may be the most difficult aspect of the challenge to bring down costs and diminish delays. She suggesting exploring a broader approach to construction whereby the University would contract with a private entity to construct the building and would lease it back. Mr. Bocchicchio responded that each year this strategy becomes more widespread. It has been successful particularly in the construction of housing. The cost of money and getting the required quality of construction can be issues, but he believed that third-party agreements were well worth pursuing. Mr. Brase noted that the Irvine campus has increased its use of the design-build business model, although it is not appropriate in all circumstances. Regent Hopkinson acknowledged the effectiveness of the design-build approach, but she believed that model does not help cope with problematic State issues.

Regent Ruiz noted that, although progress is being made, he was hoping to see measurable results. He suggested identifying ways to measure progress. Regent-designate Bugay agreed with the importance of offering this type of feedback and ensuring taxpayers that they are getting good value and accountability for their dollars. Mr. Bocchicchio affirmed that the University intends to respond to the expert panel’s call for the creation of metrics for evaluating the success of projects. The University has researched business case analysis worldwide and produced a document that takes into account the experience of other universities and other institutions that use business case analysis to make good decisions on projects.

Committee Chair Kozberg noted that State regulations are costing the University time and money and driving significant changes in its planning. She suggested attempting to create a closer working relationship with the appropriate State agencies with the goal of getting some of their functions delegated to the University.

**12. UPDATE OF SB 1953 COMPLIANCE AT UC MEDICAL CENTERS**

It was recalled that at the July meeting, the Committee requested an update on the status of UC medical centers’ compliance with deadlines established by Senate Bill 1953 for seismic performance.

In 1994, following the Northridge earthquake, Senate Bill 1953 amended the Alfred E. Alquist Hospital Facilities Seismic Safety Act to require hospitals to evaluate and rate all general acute care hospital buildings for seismic resistance. One of the bill’s requirements was that the Office of Statewide Health Planning and Development (OSHPD) develop standards to measure a building’s ability to withstand a major earthquake. OSHPD included a system of measurement called Structural Performance Categories (SPC) ratings, and Nonstructural Performance Categories (NPC) ratings. For



both SPCs and NPCs, Category 1 represents “worst” and Category 5 represents “best.” In 2001, hospitals reported the findings of their evaluations to OSHPD.

## UC MEDICAL CENTER SB 1953 COMPLIANCE SUMMARY

### *UC Davis Medical Center*

UC Davis Medical Center is constructing the Surgery and Emergency Services Pavilion (SESP), projected for completion by 2009 and applying for a 2013 extension to the 2008 deadline for its facilities. SESP, which can be used beyond 2030, will replace functions from the North/South Wing scheduled for demolition by 2012. The East Wing Tower will be renovated to meet the 2013 deadline. University Tower will be renovated by 2010 to meet the 2013 deadline. Davis Tower will add a 72-hour fuel supply to meet the 2030 deadline.

### *UC Irvine Medical Center*

The UC Irvine Medical Center has received an extension to 2013. It is constructing a new hospital (estimated completion of 2009), which can be used beyond 2030, and which will replace the main acute care facility, Building 1 (scheduled for demolition in 2010). The Central Plant is scheduled for demolition by 2009. Other structural or non-structural seismic corrections will be done to Building 1A (expected 2013 completion) and Building 3 (2030 completion).

### *UC Los Angeles Medical Center*

UCLA’s acute care hospitals (Westwood and Santa Monica) experienced significant damage as a result of the January 1994 Northridge earthquake and were in need of immediate repair. Immediately after the earthquake, FEMA provided funding for detailed assessments and engineering studies, essentially the same analyses required to comply with SB 1953; therefore, compliance projects are further along than at other campuses. The Westwood replacement hospital is scheduled for completion in 2007 but will be applying for an extension to 2009 as insurance against unforeseen events that would prevent meeting the January 1, 2008 deadline. The new hospital can be used beyond 2030.

Santa Monica Hospital will request an extension to 2013. Santa Monica’s new Central Plant was completed in 2003; a new SW Wing will be completed in 2007; the Hospital Entrance, Emergency Building, Hospital Tower and old central plant will be demolished in 2008; and Merle Norman Pavilion renovations and new Central and North Wings are scheduled for completion by 2009. These new facilities also can be used beyond 2030.

### *UC San Diego Medical Center*

UC San Diego Medical Center operates two sites, Hillcrest in San Diego and Thornton in La Jolla. The Medical Center has received an extension to 2013 for the Hillcrest renovations and is targeting that date to complete Hillcrest's structural and nonstructural renovations to bring the Main Hospital, the Central Plant, and the Utility Line Cover into compliance. The Telecom Building and South Wing already comply with the 2008 requirements and can be used until January 1, 2030; to be used as acute care facilities after that date they must be further renovated or be replaced. Thornton Hospital complies structurally with SB 1953 and is undergoing bracing of fire protection piping drops to meet the nonstructural infrastructure requirements by 2008. Once the nonstructural work is done, Thornton can be used beyond 2030.

***UC San Francisco Medical Center***

The UCSF Medical Center operates two in-patient hospitals on two campus sites: Parnassus and Mount Zion. Structural and nonstructural renovations are scheduled to be completed by 2009 at Moffitt Hospital, Long Hospital (installation of a seismic joint between Moffitt and an adjacent non-acute-care building), and the Central Utilities Plant. An extension to 2013 has been requested. Mount Zion Hospital, which has received an extension to 2013, buildings A, B, D, and R will require structural and nonstructural upgrades to meet the 2013 deadline, and the Medical Center must decide if retrofitting these buildings is cost effective, as opposed to building a new hospital at Mission Bay. An alternate plan under consideration is the construction of a new 289-bed hospital at Mission Bay. If this new hospital can be completed by 2013, Mount Zion's acute-care beds can be taken out of service. A decision as to which option to pursue will be made in 2007.

The meeting adjourned at 2:45 p.m.

Attest:

Acting Secretary