

The Regents of the University of California

COMMITTEE ON GROUNDS AND BUILDINGS

September 16, 2008

The Committee on Grounds and Buildings met on the above date at the Student Center, Irvine Campus.

Members present: Regents Hopkinson, Johnson, Kozberg, Reiss, Schilling, Shewmake, Yudof; and Advisory Members Bernal and Powell

In attendance: Regent Cole, Island, Scorza, Nunn Gorman and Stovitz, Faculty Representative Croughan, Secretary and Chief of Staff Griffiths, Associate Secretary Shaw, General Counsel Robinson, Interim Provost Grey, Executive Vice President Lapp, Vice President Lenz, Chancellors Block, Blumenthal, Drake, Kang, Vanderhoef, and White, and Recording Secretary Lopes

The meeting convened at 12:15 p.m. with Committee Chair Schilling presiding.

1. **APPROVAL OF MINUTES OF PREVIOUS MEETINGS**

Upon motion duly made and seconded, the minutes of the meeting of July 15, 2008 were approved.

2. **CONSENT AGENDA**

A. ***Annual Report on Approvals of Chancellors' Residences and Other Capital Projects for the Year Ended June 30, 2008***

The President recommended that the Committee on Grounds and Buildings accept, in accordance with the Schedule of Reports, the annual report on *Chancellors' Residences and Other Capital Projects* for the year ending on June 30, 2008.

B. ***Amendment of the Budget for Capital Improvements and the Capital Improvement Program and Approval of External Financing, Northwest Student Housing Infill, Los Angeles Campus***

The President recommended that:

- (1) The 2008-09 Budget for Capital Improvements and the Capital Improvement Program be amended to include the following project:

From: Northwest Campus Student Housing Infill – preliminary plans – \$9,000,000 to be funded from the Los Angeles campus’ share of the University of California Housing System New Revenue Fund Reserves.

To: Northwest Campus Student Housing Infill – preliminary plans, working drawings, construction, and equipment – \$375,000,000, to be funded from external financing (\$371,040,000) and from the Los Angeles campus’ share of University of California Housing System Net Revenue Fund Reserves (\$3,960,000).

- (2) The President be authorized to obtain external financing not to exceed \$371,040,000 to finance the Northwest Campus Student Housing Infill project listed, subject to the following conditions:
 - a. Interest only, based on the amount drawn down, shall be paid on the outstanding balance during the construction period;
 - b. As long as the debt is outstanding, University of California Housing System fees for the Los Angeles campus shall be maintained in amounts sufficient to pay the debt service and to meet the related requirements of the authorized financing; and
 - c. The general credit of the Regents shall not be pledged.
- (3) The Officers of the Regents be authorized to execute all documents necessary in connection with the above.

C. *Amendment of the Budget for Capital Improvements and the Capital Improvement Program, Biomedical Sciences Facility, Santa Cruz Campus*

The President recommended that the 2008-09 Budget for Capital Improvements and the Capital Improvement Program be amended as follows:

From: Santa Cruz: Biomedical Sciences Facility – preliminary plans, working drawings, construction, and equipment – \$77,913,000 to be funded from State funds.

To: Santa Cruz: Biomedical Sciences Facility – preliminary plans, working drawings, construction, and equipment – \$95,263,000 to be funded from State funds (\$77,913,000), California Institute for Regenerative Medicine grant funds (\$7,192,000), and campus funds (\$10,158,000).

[Background material was mailed to the Committee in advance of the meeting, and copies are on file in the Office of the Secretary and Chief of Staff.]

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

3. APPROVAL OF AMENDED STATE CAPITAL IMPROVEMENTS BUDGET CONSISTENT WITH THE FINAL 2008-09 BUDGET ACT

Contingent upon the Governor signing the final budget act approved by the Legislature on September 15, 2008, the President recommended that, subject to the concurrence of the Committee on Finance, the State Capital Improvements Budget for 2008-09 be amended as follows:

- A. Delete \$58.032 million for construction for the Berkeley campus, Campbell Hall Seismic Replacement Building project.
- B. Add \$750,000 for infrastructure equipment for the Davis campus, Telemedicine Resource Center and Rural Prime Facility project.
- C. Delete \$687,000 for preliminary plans, working drawings, and construction for the Davis campus, Seismic Corrections Thurman Laboratory project.
- D. Delete \$893,000 for working drawings for the Davis campus, Music Instruction and Recital Building project.
- E. Delete \$1.638 million for preliminary plans and working drawings for the Davis campus, Chilled Water System Improvements Phase 7 project.
- F. Delete \$9.969 million for working drawings and construction for the Los Angeles campus, Electrical Distribution System Expansion Step 6C project.
- G. Delete \$13.408 million for working drawings and construction for the Los Angeles campus, School of Medicine High-Rise Fire Safety Phase 1 project.
- H. Delete \$20.650 million for working drawings and construction for the Los Angeles campus, CHS South Tower Seismic Renovation project.
- I. Delete \$2.01 million for preliminary plans for the Merced campus, Science and Engineering Building 2 project.
- J. Delete \$375,000 for preliminary plans and working drawings for the Merced campus, Site Development and Infrastructure Phase 4 project.
- K. Delete \$716,000 for working drawings for the Riverside campus, Batchelor Hall Building Systems Renewal project.
- L. Delete \$2.208 million for preliminary plans for the Riverside campus, Engineering Building Unit 3 project.

- M. Delete \$6.86 million for preliminary plans and working drawings for the San Diego campus, Biological and Physical Sciences Building project.
- N. Delete \$191,000 for preliminary plans for the San Diego campus, Campus Storm Water Management Phase 2 project.
- O. Delete \$13.129 million for construction for the San Francisco campus, Electrical Distribution Improvements Phase 2 project.
- P. Delete \$5.122 million for construction for the Santa Barbara campus, Infrastructure Renewal Phase 1 project.
- Q. Delete \$320,000 for preliminary plans for the Santa Barbara campus, Infrastructure Renewal Phase 2 project.
- R. Delete \$6.731 million for construction for the Santa Cruz campus, Infrastructure Improvements Phase 2 project.
- S. Delete \$1.199 million for preliminary plans and working drawings for the Santa Cruz campus, Alterations for Physical, Biological, and Social Sciences project.
- T. Delete \$100 million for preliminary plans, working drawings, construction, and equipment for the Universitywide, Health Sciences Expansion project.

Executive Vice President Lapp advised that the State budget had not yet been signed by the Governor. Vice President Lenz indicated the item could be approved contingent on the passing of the State budget. The University had hoped to secure \$395 million in a general obligation bond to fund capital improvement projects. All projects were deleted by the Legislature, with the exception of those few funded out of previous general obligation bonds. The University was able to retain six capital facility projects as part of an economic stimulus package. The Legislature supported AB 88, which includes funding for projects from lease revenue bonds in the amount of \$205 million.

Regent Kozberg inquired about the status of the Campbell Hall Building project at UC Berkeley, which Vice President Lenz advised will be deferred another year. Regent Hopkinson questioned deferring projects the Committee considers important, and Vice President Lenz advised that the University will look to lease revenue bonds for the 2009-10 budget. A general obligation bond would reach the ballot no sooner than 2010. Regent Hopkinson expressed concern regarding the impact of certain project deletions and Vice President Lenz indicated that they would be addressed in the 2009-10 budget.

Upon motion duly made and seconded, the Committee approved the President's recommendations contingent on the signing of the State budget and voted to present them to the Board.

4. ADOPTION OF FINDINGS AND APPROVAL OF DESIGN, STUDENT HOUSING PHASE 3 PROJECT, MERCED CAMPUS

The President recommended that, upon review and consideration of the environmental consequences of the proposed project as evaluated in the Long Range Development Plan Environmental Impact Report, the Committee on Grounds and Buildings:

- A. Adopt the Findings, and
- B. Approve the design of the Student Housing Phase 3 Project, Merced campus.

[Background material was mailed to the Committee in advance of the meeting, and copies are on file in the Office of the Secretary and Chief of Staff.]

Committee Chair Schilling noted that each member of the Committee has been provided with the previously certified EIR prepared pursuant to the California Environmental Quality Act which analyzes the impacts of the proposed project, and with copies of all public comments received and responses prepared by the University. The members of the Committee also received an addendum to the LRDP EIR prepared to address minor revisions to the project that reduced its size and scope.

The members of the Committee reviewed and considered the information contained in the environmental documents including all comments received in writing or presented to the Committee and have balanced the specific benefits of the project against the unavoidable adverse environmental effects.

Upon motion duly made and seconded, the Committee approved the President's recommendation.

5. ADOPTION OF MITIGATED NEGATIVE DECLARATION AND APPROVAL OF DESIGN, HEALTH SCIENCES SURGE BUILDING, RIVERSIDE CAMPUS

The President recommended that, upon review and consideration of the environmental consequences of the proposed project as indicated in the Mitigated Negative Declaration, the Committee on Grounds and Buildings:

- A. Adopt the Initial Study/Mitigated Negative Declaration;
- B. Adopt the Findings; and
- C. Approve the design of the Health Sciences Surge Building, Riverside campus.

[Background material was mailed to the Committee in advance of the meeting, and copies are on file in the Office of the Secretary and Chief of Staff.]

Committee Chair Schilling noted that each member of the Committee has been provided with the previously certified EIR prepared pursuant to the California Environmental Quality Act which analyzes the impacts of the proposed project, and with copies of all public comments received and responses prepared by the University. The members of the Committee have also received an addendum to the LRDP EIR prepared to address minor revisions to the project that reduced its size and scope.

The members of the Committee reviewed and considered the information contained in the environmental documents including all comments received in writing or presented to the Committee and have balanced the specific benefits of the project against the unavoidable adverse environmental effects.

UC Riverside Vice Chancellor Diaz introduced the project, targeted for the United States Green Building Council's Leadership in Energy and Environmental Design (LEED) Silver certification.

While praising the project's suitability for the site, Regent Hopkinson expressed concern over the building design, façade, incompatibility with adjacent structures and limited sustainability measures. Project Manager Vargas advised the project is using innovative chilled beam technology which will reduce power consumption for cooling. Regent Reiss concurred with Regent Hopkinson's concerns and stated that all new construction by the University should be innovative, utilizing clean, renewable energy and exploring solar power. Regents Scorza and Schilling inquired regarding the cost differential for measures which would attain a LEED Gold rating for this project. Vice Chancellor Diaz advised that information will be provided in the future. Mr. Vargas advised that laboratory design creates unique LEED challenges. Regent Scorza requested that, for all future projects, long-term energy use projections and anticipated savings resulting from implementation of LEED sustainability technologies be included in the information presented.

Regent Hopkinson moved that the Committee adopt the Initial Study/Mitigated Negative Declaration and the Findings, subject to a redesign of the façade and examination of further LEED energy certification.

Upon motion duly made and seconded, the Committee approved the President's recommendation as amended.

6. PRELIMINARY REVIEW OF DESIGN, SAN DIEGO CONSORTIUM FOR REGENERATIVE MEDICINE FACILITY, SAN DIEGO CAMPUS

[Background material was mailed to the Committee in advance of the meeting, and copies are on file in the Office of the Secretary and Chief of Staff.]

UC San Diego Vice Chancellor Matthews reported that the San Diego Consortium for Regenerative Medicine, a non-profit organization promoting stem cell research, is comprised of the University of California San Diego, the Burnham Institute for Medical Research, the Salk Institute for Biological Studies and the Scripps Research Institute.

This public/private collaboration will be financed and owned by the San Diego Consortium for Regenerative Medicine. The facility will be built by a private developer, Lankford & Associates, on University property. A ground lease will be prepared and brought before the Committee on Finance at the November Board meeting.

Associate Vice Chancellor Hellmann described the site chosen, which is not on the campus proper, but located across the street from the northwest edge of campus. The site is centered adjacent to all participants in the Consortium. The building is targeting LEED Gold certification with bicycle facilities, employee showers, dedicated parking for low emission vehicles, recharging stations for electric vehicles, storm water treatment for the bioswales, cool roof system, reclaimed water for irrigation, gray water for some facility plumbing, ultra-low flow plumbing fixtures, photovoltaic infrastructure, recycled content office modules, carbon dioxide sensors, and a very efficient displacement ventilation system.

Regent Kozberg inquired regarding the impact of the pending petition by the adjacent gliderport for historic designation. Vice Chancellor Matthews reported that the historic designation petition was denied. The campus has been meeting with Caltrans regarding an alternative flight plan for fixed wing gliders but there will be no effect on hang gliders.

Regent Hopkinson praised the design of the building and requested that the campus provide information in the November presentation on the current owner of the property, how the developer was selected and who will ultimately own the building.

7. UPDATE OF LONG RANGE DEVELOPMENT PLAN AND PERMIT PROCESS, MERCED CAMPUS

[Background material was mailed to the Committee in advance of the meeting, and copies are on file in the Office of the Secretary and Chief of Staff.]

UC Merced Assistant Vice Chancellor Lollini described the current campus configuration and the campus goal of creating a sustainable, walkable community providing a model for development in the Central Valley. The campus is designed with a ten-minute walk radius, the greater Merced community being only a ten-minute bicycle ride from the core of campus. Built at the interface between the Sierra foothills and the floor of the San Joaquin Valley, there are cooling breezes across Lake Yosemite in the summer and the campus is being designed to take advantage of those breezes.

The campus sustainability goals include a triple zero commitment, which means that by 2020, the campus will be producing as much energy as it consumes, there will be zero waste entering into landfills and the campus will achieve carbon neutrality.

President Yudof noted that in light of the historic low prices in the current real estate market, and with a per-bed cost of \$80,000-\$160,000, purchasing homes in foreclosure for junior, senior, and graduate students, or faculty housing, may be a timely option.

Chancellor Kang appreciated the suggestion and advised that the campus has been considering this option. He reported that parents express a strong preference for on-campus housing, despite the savings in off-campus housing, citing safety and collegiality concerns, especially for freshman. This year the campus had to triple rooms to accommodate 1,100 students for on-campus housing.

Regent Hopkinson praised the development and evolution of the master plan, reiterating her hope for a new vision of the campus master plan, leaving behind the traditional apartment buildings and condominiums, even outside the campus core. She further underscored mobility and transport concerns. Assistant Vice Chancellor Lollini agreed with her perspective and advised that the campus is in conversation with its neighbors about land use planning, development and community character. The City of Merced’s general plan process provided a vehicle to engage in conversation, resulting in meetings with landowners about creating a gateway to the campus. Additionally, the campus parkway is a regional transportation infrastructure connecting the campus to the larger community. The connector streets will be open in the evening or on the weekend though closed during the academic day.

8. TEMPORARY AMENDMENT OF APPLICABLE STANDING ORDERS AND REGENTAL POLICY AND APPROVAL OF IMPLEMENTING GUIDELINES FOR PILOT PHASE OF THE REDESIGNED PROCESS FOR CAPITAL IMPROVEMENT PROJECTS

The President recommended that, following service of appropriate notice:

- A. Temporary Amendment of Standing Orders and Regents’ Policy be approved as follows:

The following provisions of existing Standing Orders and Regental Policy be temporarily amended, as shown on Attachment A, for those projects within the parameters of the “Process Redesign for Capital Improvement Projects” for the duration of the pilot phase approved by the Regents in March 2008:

- (1) Subdivision (q) of *Standing Order 100.4, Duties of the President of the University* to increase the President’s project approval authority to include projects with costs up to and including \$60 million with the express intent that the President would delegate approval of amendments to the Capital Improvement Program for projects up to and including \$60 million to the Chancellors;
- (2) Subdivision (nn) of *Standing Order 100.4, Duties of the President of the University* to enable the President to obtain external financing on behalf of the campuses for amounts up to and including \$60 million for the planning, construction, acquisition, equipping, and improvement of projects; and

- (3) Paragraph (1)a of the Regents' *Policy on Approval of Design, Long Range Development Plans and the Administration of the California Environmental Quality Act* such that design approval authority for projects up to and including \$60 million, otherwise assigned to the Committee on Grounds and Buildings, is reassigned to the President for delegation to the chancellors.

The existing versions of the Standing Orders and the Regents' Policy would remain in effect for all projects that do not qualify for inclusion in the pilot phase of the "Process Redesign for Capital Improvement Projects."

- B. Upon approval of Temporary Amendment of the Standing Orders and Regental Policy, Approval of Proposed Guidelines for Implementation of the Pilot Phase of the "Process Redesign for Capital Improvement Projects":

Approval of the following guidelines for campus participation in the "Process Redesign for Capital Improvement Projects" to provide a set of linked design and capital financial documents enabling the Regents to provide portfolio-level oversight of capital projects effectively. The Implementation Team anticipates that additional guidelines for implementation may be identified as it continues its work; when these are developed, they will be shared with the Committee on Grounds and Buildings for its information at a future meeting.

- (1) Each campus' Ten-Year Capital Financial Plan will be a stand-alone portfolio document not requiring additional commentary or explanation and will describe a financially feasible capital program, how it relates to academic and strategic priorities, and the financing strategies that will be used to implement the Plan. Each campus Ten-Year Capital Financial Plan will be reviewed and approved by the Regents.
- (2) Chancellors will have authority to change the scheduling of individual projects identified within the Ten-Year Capital Financial Plan and to augment the budget of a project included in the pilot phase insofar as the project and the overall portfolio of projects remain financially feasible and the total project budget does not exceed \$60 million.
- (3) Chancellors will report annually to the President any changes or updates to their Ten-Year Capital Financial Plans. These data will be included in a University-wide annual report to the Regents.
- (4) Each campus' Physical Design Framework will be reviewed and approved by the Regents in coordination with the campus Long Range Development Plan (LRDP) and will be a comprehensive report identifying the campus' principles and objectives for the design of the physical environment, how they relate to the campus LRDP, and how they are integrated into project planning and design. For the pilot phase, the Physical Design Framework should be approved with the campus' Ten-Year Capital Financial Plan.

Minor amendments to the Physical Design Framework may be approved by the President, based on guidelines to be developed. When these guidelines are refined, they will be shared with the Committee on Grounds and Buildings for its information at a future meeting.

- (5) The Regents will approve a template for a “checklist” to be used for project evaluation and documentation.
- (6) For State-funded projects, the pilot phase of the redesign process will be limited to CEQA approval and design review. Campuses must continue to follow all procedures established by the State relating to the approval of project scope, budget and schedule.

C. At the November 2008 meeting, Executive Vice President Lapp will return with modified recommendations that incorporate the concerns expressed by the Committee.

[Background material was mailed to the Committee in advance of the meeting, and copies are on file in the Office of the Secretary and Chief of Staff.]

Executive Vice President Lapp reminded the Committee that at its March 2008 meeting, the Regents accepted the report of the Capital Projects Working Group sponsored by Regent Kozberg and authorized an 18-month pilot phase to allow assessment of the new process and measurement of impacts. The goal of the redesign process is to provide the Regents with strategic comprehensive oversight and portfolio approval of the long-term physical development of the campuses, to streamline the capital approval process, to reduce unnecessary delays and to provide that approval authority for capital projects with costs up to and including \$60 million be delegated to the chancellors. The Office of the President would provide support to the campuses as well as work to mitigate legal, financial or other risks involved in the projects.

The Regents will review and approve the ten-year capital financial plan and the physical design framework of each campus for assurance that the campus has developed integrated capital financial and physical design plans that are financially feasible, and that delegated projects approved by the campus align with its overall financial plan and physical design framework. Approval of these plans and the long range development plan authorizes campus participation in the pilot phase. Once participation is approved by the Regents, the campus project would proceed with a checklist used by the campuses and the Office of the President to ensure that there are no changes which require a return to the Regents. When the chancellor determines that the checklist has been followed, the project would come to the Office of the President for a fifteen-day review by the Office of General Counsel, the Department of External Finance and the Executive Vice President for Business Operations.

The Implementation Team is chaired by UC Davis Vice Chancellor Meyer, and consists of representatives from the campuses and the Office of the President. The Operation

Team, chaired by UC San Diego Associate Vice Chancellor Steindorf, is also comprised of representatives from all campuses. The Implementation Team is refining a template for the project checklist to be used to evaluate a project and document the project review process. The form of the checklist will require Regental approval.

The teams have identified standing orders and policies which require modification to facilitate implementation of the process. The current item recommends temporary amendment of the Standing Orders and Regental policy and is intended to allow the President budget, financial and design approval for capital projects up to and including \$60 million. Those approvals will then be delegated to the chancellors. This is all contingent on the campuses obtaining approval from the Committee on Grounds and Buildings and the Regents to enter the pilot phase. If a campus opts out of the pilot program or the Regents determine that the campus plans do not meet the relevant standards, the campus would then follow the process as it now stands. Accountability will be built into the recommendations of the Implementation Team.

In May 2009 a consolidated ten-year capital plan will be presented which will capture all the campuses. By March 2010, an update will be provided to the Regents regarding the pilot program.

Regent Hopkinson expressed concern that the description of the 15-day review at the Office of the President does not mention design issues, including a master plan and palette of materials, and asked that design review be included in that description. She also noted that quality design is dependent on individuals who know what quality design means. If those individuals are not available, that evaluation cannot be done. Regent Kozberg echoed all concerns set forth by Regent Hopkinson and remarked that keeping in mind the cutting of costs and continuing innovation in construction, this pilot will require that the Regents not allow erosion of the quality of design which has evolved in the last ten years. Regent Kozberg asked that the determination of what qualifies as a pilot campus be quantified and qualified as much as possible. She also wanted to ensure that reference to the academic plan be included. Regent Reiss praised the direction of the plan and asked if there is a procedure in place should a campus not want to participate in the pilot program. Ms. Lapp does not anticipate any campus opting out of the pilot program.

Regent Scorza reiterated that the academic plan is a critical component of building construction and development. He inquired regarding the participation of student perspectives in the design of buildings. Vice Chancellor Meyer advised that each campus will report its approval process. Although it will vary across campuses, it is understood that the Regents will want to know, and each campus will report, how the various campus communities are included in the approval process for the capital plans. Regent Reiss added that faculty and students should provide input during the planning process rather than only at the approval stage.

Executive Vice President Lapp pointed out the requirement that the campuses' financial plans relate to the academic priorities set forth by the campuses.

Regent Hopkinson requested an amendment to the item: that its approval be subject to the inclusion of the comments provided by the Regents.

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

9. **CAMPUS PHYSICAL OVERVIEW AND TOUR, IRVINE CAMPUS**

Chancellor Drake narrated a slide presentation of buildings which, due to their location, would not be seen on the campus tour. He reported that the certificate of occupancy on the new hospital had just been signed, four months early. He stressed the outstanding design of its spacious, new operating rooms, patient rooms and nursing stations.

Vice Chancellor for Administrative and Business Services Wendell Brase introduced the hospital project director Pat Nemeth, the director of construction Bob Fritch, and senior vice president Wayne Lindholm, of Hensel Phelps Construction Co., the general contractor. He further acknowledged Associate Vice Chancellor and Campus Architect Gladson for having championed the design-build delivery for the project.

Vice Chancellor Brase and Associate Vice Chancellor Rebekah Gladson hosted a tour of the campus in one of the campus' 100 percent biodiesel buses. Mr. Brase emphasized the campus' efforts toward sustainability and energy efficiency, including highlighting the number of buildings that have achieved the LEED Gold rating and a solar panel project atop a campus building. He discussed how the campus increasingly utilizes third-party construction arrangements, pointing out a third-party student housing project that was the first in the country to be awarded LEED Gold. The campus also provides 1100 homes for faculty members, aiding the campus in recruitment due to the high cost of housing in the area. Ms. Gladson gave an overview of the history of architectural styles at the campus, and pointed out the ways in which building design can maximize space and meet multiple needs, such as combining academic office space and parking structures.

The meeting adjourned at 2:35 p.m.

Attest:

Secretary and Chief of Staff

AMENDMENTS TO STANDING ORDERS AND REGENTAL POLICY

The following amendments of the Standing Orders and the Regents' Policy govern capital projects on campuses approved by the Regents' Committee on Grounds and Buildings for inclusion in the Pilot Phase. All amendments are subject to a sunset provision indicating that they shall become inoperative and are repealed on March 31, 2010, unless a later Regents' action, that becomes effective on or before March 31, 2010, deletes or extends the dates on which they become inoperative and are repealed.

Deletions shown by strikeout; additions shown by underscore

1. Standing Order 100.4(q) is amended as follows:

(q)(1)

Except as provided in paragraph (q)(2) below, the President is authorized to approve amendments to the Capital Improvement Program for projects not to exceed \$10 million. The President is also authorized to approve amendments to the Capital Improvement Program for projects exceeding \$10 million up to and including \$20 million, provided that concurrence is obtained from the Chairman of the Board and the Chairman of the Committee on Grounds and Buildings and also provided that all actions taken in excess of \$10 million up to and including \$20 million under this authority be reported at the next following meeting of the Board. However, the following shall be approved by the Board: (1) projects with a total cost in excess of \$20 million, (2) for projects in excess of \$20 million, any modification in project cost over standard cost-rise augmentation in excess of 25%, or (3) capital improvement projects of any construction cost when, in the judgment of the President, a project merits review and approval by The Regents because of special circumstances related to budget matters, external financing, fundraising activities, project design, environmental impacts, community concerns, or substantial program modifications.

(q)(2)

This paragraph shall apply exclusively to capital projects on campuses approved by the Committee on Grounds and Buildings for inclusion in the Pilot Phase of Process Redesign for Capital Improvement Projects.

The President is authorized to approve amendments to the Capital Improvement Program for projects not to exceed \$60 million. However, the following shall be approved by the Board: (1) projects with a total cost in excess of \$60 million, (2) for projects in excess of \$60 million, any modification in project cost over standard cost-rise augmentation in excess of 25%, or (3) capital improvement projects of any construction cost when, in the judgment of the President, a project merits review and approval by The Regents because of special circumstances related to budget matters, external financing, fundraising

activities, project design, environmental impacts, community concerns, or substantial program modifications.

This paragraph shall become inoperative and is repealed on March 31, 2010, unless a later Regents' action, that becomes effective on or before March 31, 2010, deletes or extends the date on which it becomes inoperative and is repealed.

2. Standing Order 100.4(nn) is amended as follows:

(nn)(1)

Except as provided in paragraph (nn)(2) below, The President shall be the manager of all external financing of the Corporation. The President is authorized to obtain external financing for amounts up to and including \$10 million for the planning, construction, acquisition, equipping, and improvement of projects. The President is also authorized to obtain external financing for amounts in excess of \$10 million up to and including \$20 million, provided that concurrence is obtained from the Chairman of the Board and the Chairman of the Committee on Finance, and also provided that all actions taken to obtain external financing for amounts in excess of \$10 million up to and including \$20 million be reported at the next following meeting of the Board. External financing in excess of \$20 million requires Board approval. The President shall have the authority to (1) negotiate for and obtain interim financing for any external financing, (2) design, issue, and sell revenue bonds or other types of external financing, (3) issue variable rate or fixed rate debt, and execute interest rate swaps to convert fixed or variable rate debt, if desired, into variable or fixed rate debt, respectively, (4) refinance existing external financing for the purpose of realizing lower interest expense, provided that the President's authority to issue such refinancing shall not be limited in amount, (5) provide for reserve funds and for the payment of costs of issuance of such external financing, (6) perform all acts reasonably necessary in connection with the foregoing, and (7) execute all documents in connection with the foregoing, provided that the general credit of The Regents shall not be pledged for the issuance of any form of external financing.

(nn)(2)

This paragraph shall apply exclusively to capital projects on campuses approved by the Committee on Grounds and Buildings for inclusion in the Pilot Phase of Process Redesign for Capital Improvement Projects.

The President shall be the manager of all external financing of the Corporation. The President is authorized to obtain external financing for amounts up to and including \$60 million for the planning, construction, acquisition, equipping, and improvement of projects. The President shall have the authority to (1) negotiate for and obtain interim financing for any external financing, (2) design, issue, and sell revenue bonds or other types of external financing, (3) issue variable rate or fixed rate debt, and execute interest rate swaps to convert fixed or variable rate debt, if desired, into variable or fixed rate debt, respectively, (4) refinance existing external financing for the purpose of realizing

lower interest expense, provided that the President's authority to issue such refinancing shall not be limited in amount, (5) provide for reserve funds and for the payment of costs of issuance of such external financing, (6) perform all acts reasonably necessary in connection with the foregoing, and (7) execute all documents in connection with the foregoing, provided that the general credit of The Regents shall not be pledged for the issuance of any form of external financing.

This paragraph shall become inoperative and is repealed on March 31, 2010, unless a later Regents' action, that becomes effective on or before March 31, 2010, deletes or extends the date on which it becomes inoperative and is repealed.

3. **Section 1 of *The Regents Policy on Approval of Design, Long Range Development Plans, and the Administration of the California Environmental Quality Act* is amended as follows:**

(1) The Regents designates the following categories of projects as requiring design approval by the Committee on Grounds and Buildings:

(a) Except as provided in subparagraph (c), building projects with a total project cost in excess of \$10,000,000, except when such projects consist of the following:

- i. alterations or remodeling where the exterior of the building is not materially changed;
- ii. buildings or facilities located on agricultural, engineering, or other field stations; or
- iii. agriculture-related buildings or facilities located in areas of a campus devoted to agricultural functions.

(b) Capital improvement projects of any construction cost when, in the judgment of the President, a project merits review and approval by The Regents because of budget matters, fundraising activities, environmental impacts, community concerns, or other reasons.

(c) Building projects on campuses approved by the Committee on Grounds and Buildings for inclusion in the Pilot Phase of Process Redesign for Capital Improvement Projects with a total project cost in excess of \$60,000,000 subject to the same exclusions as subparagraph (a). This subparagraph shall become inoperative and is repealed on March 31, 2010, unless a later Regents' action, that becomes effective on or before March 31, 2010, deletes or extends the date on which it becomes inoperative and is repealed.
