

The Regents of the University of California

COMMITTEE ON GROUNDS AND BUILDINGS

January 19, 2010

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

Members present: Regents Makarechian, Ruiz, Schilling, and Zettel; Ex officio member Gould; Advisory members Cheng, Hime, and Powell

In attendance: Regent Nunn Gorman, Regent-designate DeFreece, Faculty Representative Simmons, Secretary and Chief of Staff Griffiths, Associate Secretary Shaw, General Counsel Robinson, Interim Executive Vice President Brostrom, Vice President Lenz, Chancellors Birgeneau, Desmond-Hellmann, and Drake, and Recording Secretary Harms

The meeting convened at 3:35 p.m. with Committee Chair Schilling presiding.

1. **READING OF NOTICE OF MEETING**

For the record, notice was given in compliance with the Bylaws and Standing Orders for a special meeting of the Committee on Grounds and Buildings, for the purpose of addressing an item on the Committee's agenda.

2. **PUBLIC COMMENT**

Committee Chair Schilling explained that the public comment period permitted members of the public an opportunity to address University-related matters. The following persons addressed the Committee:

- A. Mr. Hank Gehman expressed his frustration at the proposed seismic restoration of California Memorial Stadium on the Berkeley campus. Mr. Gehman does not believe the project will be paid for as proposed, but will be funded from student fees and by funds diverted from instruction.
- B. Mr. Charles Schwartz stated that he believed the University has serious lapses in its fiduciary oversight of its bond indebtedness programs. He noted that the medical centers publish data in their reports, but that the campuses do not have an equivalent reporting mechanism. He asked the Regents to remedy the situation.

3. **APPROVAL OF MINUTES OF PREVIOUS MEETING**

Upon motion duly made and seconded, the minutes of the meeting of November 17, 2009 were approved.

4. **CONSENT AGENDA**

A. ***Amendment of Standing Order 100.4 and Policy on Approval of Design, Long Range Development Plans, and the Administration of the California Environmental Quality Act***

The President recommended that, following service of appropriate notice, Standing Order 100.4(q)(2); Standing Order 100.4(nn)(2); and the Policy on Approval of Design, Long Range Development Plans, and the Administration of the California Environmental Quality Act be amended, as shown in Attachment 1. This item constitutes the notice of proposed amendments that is required pursuant to Standing Order 130.1. Final action to approve these amendments will be recommended at the next regularly scheduled meeting of the Regents.

B. ***Amendment of the Budget for Capital Improvements and the Capital Improvement Program and Approval of External Financing, Mission Bay Infrastructure in Support of Blocks 19A, 15, 16 and 18, San Francisco Campus***

The President recommended that:

- (1) The 2009-10 Budget for Capital Improvements and the Capital Improvement Program be amended to include the following project:

San Francisco: Mission Bay Infrastructure in Support of Blocks 19A, 15, 16, and 18 – preliminary plans, working drawings and construction – \$37,000,000, to be funded from external financing.

- (2) The President be authorized to obtain external financing not to exceed \$37,000,000 to finance the *Mission Bay Infrastructure in Support of Blocks 19A, 15, 16, and 18* project. The President requires that:
 - a. Interest only, based on the amount drawn, shall be paid on the outstanding balance during the construction period.
 - b. As long as the debt is outstanding, the San Francisco campus' share of the Federal Indirect Cost Recovery deposited to Fund 19933, shall be maintained in amounts sufficient to pay debt service and to meet the related requirements of the authorized financing.
 - c. The general credit of the Regents shall not be pledged.
- (3) The President be authorized to execute all documents necessary in connection with the above.

C. *Amendment of the Budget for Capital Improvements and the Capital Improvement Program and Amendment of External Financing, Health Sciences Biomedical Research Facility 2, San Diego Campus*

The President recommended that:

- (1) The 2009-10 Budget for Capital Improvements and the Capital Improvement Program be amended as follows:

From: San Diego: Health Sciences Biomedical Research Facility 2 – preliminary plans, working drawings, construction, and equipment – \$150,890,000, to be funded from external financing (\$146,890,000) and campus funds (\$4,000,000).

To: San Diego: Health Sciences Biomedical Research Facility 2 – preliminary plans, working drawings, construction, and equipment – \$179,580,000, to be funded from external financing (\$175,080,000) and campus funds (\$4,500,000).

Deletions shown by strikeout; additions by underscore

- (2) A change of scope to the Health Sciences Biomedical Research Facility 2 project as follows: an addition of 40,775 gross square feet of laboratory and research space to the previously approved scope of 155,200 gross square feet for a total of 195,975 gross square feet.

- ~~(2)~~ (3) The President be authorized to obtain external financing not to exceed ~~\$146,890,000~~ \$175,080,000 to finance the *Health Sciences Biomedical Research Facility 2* project. The President requires that:

- a. Interest only, based on the amount drawn, shall be paid on the outstanding balance during the construction period.
- b. As long as the debt is outstanding, the San Diego campus' share of the University Opportunity and Education Funds shall be maintained in amounts sufficient to pay the debt service and to meet the related requirements of the authorized financing.
- c. The general credit of The Regents shall not be pledged.

- ~~(3)~~ (4) The President be authorized to execute all documents necessary in connection with the above.

D. *Adoption of Findings and Approval of Design, Helios Energy Research Facility, Berkeley Campus*

The President recommended that, upon review and consideration of the environmental consequences of the proposed project, the Committee:

- (1) Adopt the Findings.
- (2) Approve the design of the Helios Energy Research Facility and Former California State Department of Health Services (DHS) Demolition and Site Clearance.

E. *Adoption of Mitigated Negative Declaration and Approval of Design, Weyburn Terrace Graduate Student Housing, Los Angeles Campus*

The President recommended that, upon review and consideration of the environmental consequences of the proposed project, the Committee:

- (1) Adopt the Mitigated Negative Declaration.
- (2) Adopt the Findings and Mitigation Monitoring and Reporting Program.
- (3) Approve the design of the Weyburn Terrace Graduate Student Housing Project, Los Angeles 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 for each item on the consent agenda that proposed a design approval, the Committee members had been provided with environmental documentation prepared pursuant to the California Environmental Quality Act as well as with copies of all public comments received and responses prepared by the University. The members of the Committee reviewed and considered all of the documents and comments, and balanced the specific benefits of each project against any unavoidable adverse environmental effects.

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

5. APPROVAL OF PHASE 1 OF THE UTILITY LINE REMEDIATION PROJECT RELATED TO THE MISSION BAY DILLER BUILDING, ROCK HALL AND NEUROSCIENCES BUILDING (19A), SAN FRANCISCO CAMPUS

The President recommended that the San Francisco campus’ 2009-10 Budget for Capital Improvements and Capital Improvement Program be amended to include the following project:

San Francisco: Phase 1 of the Utility Line Remediation project – working drawings and construction – \$11,700,000 to be funded from campus funds.

[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.]

Regent Makarechian asked if the campus had identified the source of the \$17 million needed for the project. Associate Vice Chancellor Vermillion responded that the campus knew some time ago that there could be a problem, and began setting aside campus reserves as a contingency in the event that the campus would have to proceed in advance of a settlement of insurance. He explained that the campus is advancing the funding with the hope that it will be returned after settlements have been reached.

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

6. **ACCEPTANCE OF 2009-19 CAPITAL FINANCIAL PLAN AND PHYSICAL DESIGN FRAMEWORK AND AUTHORIZATION TO PARTICIPATE IN THE PILOT PHASE OF THE REDESIGNED PROCESS FOR CAPITAL IMPROVEMENT PROJECTS, IRVINE CAMPUS**

The President recommended:

- A. Acceptance of the *UC Irvine 2009-19 Capital Financial Plan* and the *Physical Design Framework*.
- B. Authorization of the Irvine campus to participate in the Pilot Phase of the Redesigned Process for Capital Improvement Projects.

[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.]

Chancellor Drake reminded the Regents that he came before them in February to discuss UC Irvine's Strategic Academic Plan. This presentation would feature its Ten-Year Capital Plan and Physical Design Framework. The Chancellor noted that planning over a ten-year horizon, especially in the current economic environment, is fraught with uncertainty. However, the campus has maintained the goals outlined in its Strategic Academic Plan with the understanding that the timeframe for realizing those goals may be extended due to strained fiscal circumstances.

The Chancellor reviewed the general priorities outlined in the Strategic Plan last year. One was to increase graduate and professional enrollment, another was to add three new programs in the health sciences, a third was to establish a law school, and the fourth was to increase enrollment until reaching approximately 32,000 students, housing about 50 percent of those on campus. Despite the challenges UCI is facing, said Chancellor Drake, it has already made good progress toward achieving its goals. In June 2009, it graduated its first class of nursing students; by the end of that month, two-thirds of them were employed at the campus' new hospital. This past fall, it enrolled its first cohort of students in its law program.

Chancellor Drake remarked that UC Irvine has had a strong planning tradition dating back to its founding in 1963. Over the past two decades, the campus' strong commitment to planning has resulted in an environment that is nationally recognized for its quality. Academic objectives drive all capital and physical planning at Irvine. In addition, the campus has taken a leadership role in developing sustainable building practices, and has built very strong relationships with its local community.

The Chancellor informed the Regents that UC Irvine is a national leader in the design-build-implementation process, and that it insists on good budgeting and construction cost management. Using these methods, the campus consistently completes projects within budget, and on time. Chancellor Drake expressed particular pride in the UC Irvine Douglas hospital which was completed on time and on budget and has transformed health care in Orange County.

Vice Chancellor Brase observed that, since 2000, the Irvine campus has completed nearly \$1.9 billion in capital improvements on the main campus and at the Medical Center. Almost 90 percent of the on-campus projects involved new construction, which was needed primarily to accommodate rapid enrollment increases. Despite this, capital improvements have not been able to keep pace with growth. To provide additional space on campus for academic units, UC Irvine has moved many administrative activities to leased space off-campus; currently, the leased space is well in excess of 200,000 square feet. With so much of the capital program devoted to new construction, resources allocated to renovation and infrastructure have been limited, leaving many needs deferred.

Mr. Brase stated that the campus' priorities will shift in the next ten years. New construction will still represent the major part of UCI's capital plan, but the campus also will put more resources toward renovation and renewal of existing buildings and expansion of the campus infrastructure. At least one-third of the ten million square feet of facility space on campus is more than 25 years old – an age at which most major building systems require replacement or significant renewal. In addition, the campus has not been able to provide the infrastructure needed for the past decade, much less future decades.

Mr. Brase explained that the Capital Financial Plan proposes a program comprising 47 projects with a total value of \$1.2 billion over the next ten years. These projects cover every aspect of university life, with almost two-thirds of them devoted to advancing the instructional and research mission of the campus. The next largest portion of the proposed budget is for other projects, including the purchase of an off-campus office building for functions that are currently housed in leased space. It also provides for other academic support projects, and a yearly allowance for small projects under \$5 million. Eight percent of the budget would provide for expanded infrastructure and parking, and another nine percent would fund housing and fee-funded student life projects.

Mr. Brase noted that the Capital Financial Plan does not address capital needs at UCI's Medical Center beyond an allowance for small renovation projects. Now that the new hospital is completed, the medical center has embarked on its own strategic plan

development; that project will come back as part of a revised capital financial plan in the future.

Mr. Brase explained that the inclusion of State funding totaling \$647 million assumes voter approval of General Obligation (GO) bonds beginning in 2010 that provide at least \$450 million per year for general campus purposes and another \$100 million per year for programs in the health sciences. Non-State funds totaling \$596 million would come from a variety of sources, primarily gifts and external financing. Mr. Brase noted that the projections for external financing are extremely conservative given the current economic climate. The first two years of the program would fund student housing renovations – for which a repayment source is available – and would help fund acquisition of the campus office building. The remaining debt in the later years of the program would fund construction of auxiliary enterprises, such as parking.

Mr. Brase informed the Regents that the Irvine campus’ Physical Design Framework was established in 1992 and has been employed consistently to develop a cohesive design approach across campus. The Framework will continue to guide UCI’s planning and design to ensure that its capital projects continue to reflect the planning values and principles of the campus.

Campus Architect Gladson presented a series of slides highlighting linkages throughout the campus design. She noted that the campus leadership has played a key role in discouraging changes during the completion of design and construction of capital projects. The sub-contractors and contractors are involved in the development of the drawings from the beginning, so there is a smooth transition between finishing the drawings and building the structure. That consistency has played a fundamental role in Irvine’s ability to complete its projects on budget and on schedule.

Mr. Brase pointed out the campus’ many award-winning projects in the area of sustainability. He reminded the Regents that UCI began employing green technology in 1992, before it became a priority in California or the nation. He expressed particular pride in the Sue and Bill Gross Stem Cell Research Center, which he believes will be the most energy efficient building of its type; it will outperform California Building Standards Code (Title 24) by 50.3 percent. He added that the Irvine campus, and two other UC campuses (Santa Barbara and Merced), have been pilot campuses working with the Green Building Council to try to streamline the Leadership in Energy and Environmental Design (LEED) program and make it less costly and more applicable to campuses. UCI now has 15 projects registered for LEED evaluation; the five projects completed have all been awarded LEED Gold ratings.

Referring back to a slide that highlighted UCI’s sustainability efforts, Regent Zettel asked if the carbon footprint of various food choices in the cafeteria is provided to students and visitors. Mr. Brase said that there is, in fact, a small footprint icon which is color-coded for each dish according to its calculated level of greenhouse gas emission: black for high carbon, green for low carbon, yellow for items in the middle. He said that the campus is

monitoring the students' consumption to see if the information is causing them to alter their eating patterns.

Regent Zettel asked how much of UCI's Capital Improvement Plan is based upon potential General Obligation bonds. Mr. Brase explained that the Capital Improvement Plan includes all of the campus' needs, with the understanding that some projects may be delayed due to the fiscal situation. Regent Zettel acknowledged that the campus has a wonderful relationship with its community, but that a statewide vote is required to pass GO bonds. She remarked that the UC system needs to tout its achievements to the public and educate it regarding contributions the UC system has made. She noted that the University might have an opportunity to do this through public service announcements, through its communications departments, and through the students.

Faculty Representative Simmons asked, in the likely event that State funding will not be available, how the priorities of the Plan would be revised. Vice President Lenz emphasized that the University does not intend to release the State from its obligation to invest in UC's capital facilities projects. He acknowledged that the Governor does not have any funding proposed in his January budget, but said that two supportive pieces of legislation are currently active, one of which includes UC's request for capital facilities funding over the next four years. Mr. Lenz said that it is imperative that UC continue to make its needs clear to the Governor and the Legislature. However, the Office of the President is prepared to develop a contingency plan that would help campuses identify their most important needs and discover alternative funding sources for them.

Regent-designate Hime asked for details regarding the cost of LEED certification for the five LEED Gold projects that have been completed at Irvine. Mr. Brase explained that the cost was relatively low. He noted that much of what LEED requires has already been part of UCI's building processes for many years. He estimated that the campus spent less than \$30,000 per building for the certification. Regent-designate Hime asked if that same cost would be applied to each remaining structure to be certified, and Mr. Brase said the cost would be much lower because the Green Building Council has agreed to establish eligibility campus-wide. Accordingly, the campus' energy infrastructure, transportation, water, density management, and open space management were all certified once, making the process nearly cost-free as UCI moves forward.

Regent-designate Hime emphasized that Title 24 forces California construction to be 50 percent more energy efficient than buildings elsewhere in the country, with or without LEED. He expressed his view that the University, as it considers cost-cutting measures, should investigate the wisdom of spending thousands of dollars on LEED certification.

Regent Makarechian noted that his calculations showed gifts of approximately \$130 million, but the campus document lists a total of \$230 million. He asked where the campus allocated the additional \$100 million. Mr. Brase said he would check the numbers and respond to Regent Makarechian later.

Regent Makarechian observed that the campus has a goal of getting 50 percent of student housing on campus; however, for the next ten years, it is planning for only 2,400 units, which is much less than 50 percent if the campus reaches its maximum planned enrollment. Mr. Brase explained that the 50 percent figure would be achieved soon because the campus has 1,850 bed spaces under construction that will be open next fall.

Mr. Brase added that most of the housing over the past six years has been third-party developed by American Campus Communities based upon an extensive RFP process. American Campus Communities has won a great number of awards for its projects, and Irvine has more third-party, developer-built housing than any other campus in the United States. Chancellor Drake expanded on the topic of student housing, noting that students camp out overnight for a chance to secure one of the new rooms. He explained that the building process is done in a way so that the builder gets feedback from students as to what elements they find valuable and which they do not. The Chancellor informed the Regents that *Time* magazine recently did a 50-year retrospective on college campus student housing. Out of the seven photographs of modern housing they printed, three featured UCI.

Regent-designate Cheng asked what public transportation options students in off-campus housing have. Mr. Brase said that the students operate a shuttle system that runs 1.5 million passenger trips per year. It is the first such system in the United States that operates on 100 percent biofuel. He noted that the campus also has a very generous subsidy program for students to purchase commuter passes with the transit district. Mr. Brase stated that two out of every three students who come to campus do so by walking, by bicycle, or by one of these mass-transit methods. Regent-designate Cheng asked if there are plans to expand operations of the student-run shuttle as the number of students on campus increases. Mr. Brase said campus transportation would continue to be expanded, with the likely inclusion of car sharing clubs (zip cars) and bicycle rental programs.

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

7. **ADOPTION OF FINDINGS AND APPROVAL OF DESIGN, CALIFORNIA MEMORIAL STADIUM SEISMIC CORRECTIONS AND WEST PROGRAM IMPROVEMENTS, BERKELEY CAMPUS**

The President recommended that, upon review and consideration of the environmental consequences of the proposed project, the Committee:

- A. Adopt the Findings.
- B. Approve the design of the California Memorial Stadium Seismic Corrections and West Program Improvements.

[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.]

Vice Chancellor Denton recalled that the Berkeley campus had come before the Regents many times about California Memorial Stadium (CMS) and its need to be seismically upgraded as soon as possible. He stated that the campus was seeking final approval to move forward and upgrade the building, which is important to the University, is on the National Register of Historic Places, and straddles the Hayward Fault.

Associate Vice Chancellor Gayle said that the design for CMS will transform it into a safe, contemporary athletics venue while retaining its 84-year-old historic character. He explained that the west bowl correction project is the second in a suite of planned projects that comprise the Southeast Campus Integrated Projects, or SCIP. The Regents certified the SCIP Environmental Impact Report (EIR) in December 2006. The first SCIP project, now well into construction, is the Student Athlete High Performance Center (SAHPC) which will strengthen the connection of CMS to the campus and will provide direct support to about half of Berkeley's 28 intercollegiate athletic programs, including Olympic sports.

Mr. Gayle informed the Regents that seismic safety and life safety are the drivers of the CMS project. Seventy percent of its expenditure is dedicated to seismic performance and compliance with current fire and accessibility codes. To accommodate anticipated displacements by the Hayward Fault, the project would address the west bowl fault rupture zones and replace entirely the internal concrete structure of the west bowl. The east bowl presents no structural hazard; however, a planned future project would modernize the programmatic aspects of the east bowl to the same standards as the proposed west bowl.

Associate Vice Chancellor Gayle reported that the engineering concept behind the corrective design is remarkably simple, despite the apparent severity of the challenge. Massive seismic blocks would be placed astride the fault rupture zone, and would be separated from both east and west bowls by special moving joints. The blocks are designed to ride and slide to accommodate horizontal or vertical displacement in an earthquake, and the joints are able to withstand the force of an earthquake that is likely to occur only once in 1,000 years. The new west bowl would be a concrete sheer-wall structure and would be structurally tied to the historic perimeter wall, which would be reinforced without visible change to the exterior.

Mr. Gayle discussed details of the design including the field lighting, which is entirely contained within the leading edge of the press box structure. He showed slides depicting the main concourse of CMS and highlighted the addition of food and beverage services and restrooms, which are insufficient in the current structure. He emphasized that the geometry of the bowl would not be changed, with the exception of platforms placed to greatly expand the accommodation of disabled viewers.

Regent Zettel asked if the areas for viewers with disabilities were clustered in one area or interspersed throughout the facility. Mr. Gayle said the platforms are interspersed throughout the circumference at the concourse level; they are good seats.

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

The meeting adjourned at 4:45 p.m.

Attest:

Secretary and Chief of Staff

PROPOSED AMENDMENTS TO STANDING ORDERS AND REGENTAL POLICY

The following amendments extend the operation of the pilot phase of the Process Redesign for Capital Improvement Projects for another twelve months, from March 31, 2010 to March 31, 2011. After that date, the amendments of September 2008 establishing the pilot phase become inoperative and are repealed unless a later Regents' action, that becomes effective on or before March 31, 2011, 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~~ 2011, unless a later Regents' action, that becomes effective on or before March 31, ~~2010~~ 2011, 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~~ 2011, unless a later Regents' action, that becomes effective on or before March 31, ~~2010~~ 2011, deletes or extends the date on which it becomes inoperative and is repealed.

3. Section 1 of the 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~~ 2011, unless a later Regents' action, that becomes effective on or before March 31, ~~2010~~ 2011, deletes or extends the date on which it becomes inoperative and is repealed.