

The Regents of the University of California

COMMITTEE ON GROUNDS AND BUILDINGS

July 19 and 21, 2016

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

Members present: Regents Makarechian, Pérez, Schroeder, Sherman, and Zettel; Advisory member Hare; Staff Advisors Richmond and Valdry

In attendance: Regents Brody, Ortiz Oakley, and Ramirez, Regent-designate Mancina, Faculty Representative Chalfant, Secretary and Chief of Staff Shaw, General Counsel Robinson, Executive Vice President and Chief Financial Officer Brostrom, Chancellors Block, Blumenthal, Hawgood, and Khosla, and Recording Secretary McCarthy

The meeting convened at 2:50 p.m. with Committee Chair Makarechian presiding.

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

Upon motion duly made and seconded, the minutes of the meeting of May 10 and 12, 2016 were approved.

2. **UPDATE ON STUDENT HOUSING AND PLANS FOR NORTH TORREY PINES LIVING AND LEARNING NEIGHBORHOOD, SAN DIEGO CAMPUS**

[Background material was provided to Regents in advance of the meeting, and a copy is on file in the Office of the Secretary and Chief of Staff.]

Associate Vice President Sandra Kim introduced this discussion of on-campus housing at UC San Diego and the campus' plans to provide more than 5,000 additional beds in the upcoming five years.

Chancellor Khosla recalled that his campus had presented its housing strategy at the prior meeting and said this presentation would focus on a single part of its strategy, the North Torrey Pines Living and Learning Neighborhood (North Torrey Pines). Through the addition of 5,000 new beds by 2020, UC San Diego would address the need for affordable and guaranteed on-campus housing. The campus' goal is to guarantee four years of on-campus housing to undergraduate and Ph.D. students at below-market rates. Market-rate housing in San Diego was becoming increasingly expensive and was not affordable for most UC San Diego students. These plans would enable the campus to contribute to the President's Student Housing Initiative and house its future enrollment growth of 1,200 to 1,500 students per year. The Chancellor anticipated that UCSD could grow to 40,000 students, including undergraduates and graduates, in the next five years.

The campus plans to develop mixed-use facilities that integrate living and learning to build a sense of community among its students and other campus members.

UC San Diego Chief Financial Officer Pierre Ouillet commented on the key drivers for North Torrey Pines. To provide affordability for students, given double-digit annual increases in private market housing, the campus intended to maintain housing prices at least 20 percent lower than market rates. UCSD enrollment is projected to increase by at least 1,500 students per year, beginning in 2016-17. It is anticipated that a sixth college would be added at North Torrey Pines to UCSD's college system. UCSD's current commitment was to provide on-campus housing for one-half of its students. The campus had wait-list demand for students at least up to that amount. The Mesa Nueva graduate student housing project had already been approved by the Regents and was planned to open by fall 2019. Financing for Nuevo West graduate student housing had been approved in May, and the Nuevo East graduate and upper-division undergraduate housing project would be brought to the Committee in the future. Mr. Ouillet displayed a map showing these projects' locations on the East Campus. All three would be developed through a design-build delivery model and would provide 3,400 additional beds for graduate students.

North Torrey Pines would provide 2,000 additional undergraduate beds on the West Campus. Mr. Ouillet displayed UCSD's housing financial forecast, showing revenues from its existing housing, expenses excluding debt service, projected revenues from new projects and associated expenses excluding debt service, and net housing revenues, which he said would more than cover the debt service. The debt service coverage ratio would exceed University requirements and would allow for significant funds to be invested back in maintenance and capital improvements. The North Torrey Pines program would also include 120,000 assignable square feet of academic space to accommodate enrollment growth, market-style dining, and resident support spaces. A 900-space parking lot would be replaced with 1,200 underground parking spaces. Much infrastructure would be common to benefit from economies of scale.

Regent Sherman asked if the parking ratio was typical for the campus and whether increasing parking would encourage vehicular traffic. Mr. Ouillet responded that students were strongly discouraged from bringing cars to campus. UC San Diego was phasing out the use of cars for first-year students in the upcoming year, and for first- and second-year students the following year. North Torrey Pines parking would serve the entire University community on that part of the campus, which currently had a significant parking shortage. Chancellor Khosla confirmed the shortage of parking for faculty, noting that North Torrey Pines would add only 300 new spaces. As the campus grows to a total of nearly 40,000 students over the upcoming five years, facilities need to be re-imagined to be welcoming to students and visitors to the campus.

Regent Pérez asked about the campus' integration with mass transit. Chancellor Khosla explained that the addition of mass transit offered UCSD the opportunity to re-think a long-range vision of the campus as a living-learning community and its relationship to

San Diego. Architects were currently engaged in this process. He suggested that the campus could present details of this longer-range vision for UCSD at a future meeting.

Committee Chair Makarechian asked for clarification of the housing expenses excluding debt service for North Torrey Pines, which he said were typically about three percent. Mr. Ouillet explained that the \$9.1 million annual housing expenses excluding debt service were for all new housing projects, including Mesa Nueva, Nuevo West, and North Torrey Pines. Mr. Ouillet offered to provide more details and information about benchmarks in the private sector.

Regent Sherman asked if academic facilities for students living in North Torrey Pines would be on the same side of the campus. Chancellor Khosla explained that earlier classroom buildings at UCSD contained only classrooms, resulting in inefficient use of the facilities. In the future, the campus would develop academic buildings in reasonable proximity to residential buildings, having classrooms distributed throughout the campus. Regent Sherman inquired if the development would be similar to a mixed-use commercial development, but in a campus setting. Chancellor Khosla responded in the affirmative. Mr. Ouillet added that buildings could contain classrooms that would be used during the day and residential space used in the evenings. A large conference center with classrooms would be developed. Chancellor Khosla pointed out that the campus would need space for new faculty to teach students added through enrollment growth. Academic space would also be developed, so that the campus would not have to rely only on State support for capital projects.

Regent Ramirez asked if the campus had consulted with students about mixing graduate students with upper division undergraduates in the planned Nuevo East housing. Chancellor Khosla commented that undergraduate and graduate students would be together in Nuevo East, but would be reasonably separated. Mr. Ouillet said North Torrey Pines would contain both independent living and typical dormitory rooms. Students serve on planning committees and have input on design plans.

Committee Chair Makarechian encouraged the development of student housing, given the high rental market in La Jolla. Regent Zettel expressed her view that mixed-use facilities would create a vibrant campus.

3. **UPDATE ON HOUSING STRATEGY, SANTA CRUZ CAMPUS**

[Background material was provided to Regents in advance of the meeting, and a copy is on file in the Office of the Secretary and Chief of Staff.]

Associate Vice President Sandra Kim introduced the presentation of UC Santa Cruz's housing strategies, including efforts to address existing need and other requirements that dictate the number of beds. The campus has developed plans for a number of projects to increase on-campus housing to meet the demand of enrollment growth, while maintaining the unique character of the campus. The campus intends to use a public-private delivery method to develop housing with 3,000 beds in the near future.

Chancellor Blumenthal presented a housing strategy he said was designed to meet UCSC's short- and long-term needs in the context of enrollment growth, new options available at the systemwide level, and some unique constraints. UC Santa Cruz houses more than 50 percent of its students, a higher percentage than any other UC campus. The campus had added nearly 4,000 students since 2004, the last time new housing was developed. The campus had added beds whenever possible through housing renewal projects. However, adequate and affordable housing for students had not kept pace with demand.

Chancellor Blumenthal affirmed the campus' philosophy that housing is an integral part of the student experience. From the outset through its residential colleges, UC Santa Cruz has created vibrant living-learning communities that enhance the quality of life for its students. It now must accommodate enrollment growth. Uniquely, UCSC must honor the housing requirements of the Comprehensive Settlement Agreement (CSA) negotiated with its surrounding community.

UCSC students currently have on-campus housing options ranging from dormitory living in residential colleges to apartments for undergraduates, graduate students, and families. While its student body had increased almost 30 percent since 2004, the campus had added only 350 new beds as part of major maintenance projects. Demand had been accommodated and the requirements of the CSA met primarily by increasing density, adding 2,000 beds by converting double rooms into triples, and lounges into quads. Out of its 150 lounges, 141 had been converted to bedrooms. However, removing these common spaces degrades the quality of life for students, who lose a place to study, socialize, and relax. Chancellor Blumenthal acknowledged that this situation was not ideal and that this option had been exhausted; density could not be further increased. Off-campus housing was also challenging. Santa Cruz is one of the ten most expensive places to live in the nation. The current rental market, like the rest of the Bay Area, is very expensive, with high demand and low vacancy rates. Silicon Valley is booming and high technology workers are flooding into Santa Cruz, driving up rents and straining availability. The Santa Cruz community had produced little affordable new housing. The campus had investigated leasing off-campus rental properties and had approached developers who were developing new projects, but to no avail.

UCSC has 800 students on the waiting list for on-campus housing for the upcoming fall, and expects that number to increase. The CSA requires that, for the remainder of the 2005 Long Range Development Plan, the campus provide beds for 67 percent of its enrollment increases beyond 15,000 students. The campus currently offers a two-year housing guarantee to all new freshmen and a one-year guarantee to all undergraduate transfer students. Certain other groups, such as military veterans and emancipated foster youth receive four-year on-campus housing guarantees. Providing housing to these students is integral to their success.

Chancellor Blumenthal indicated that the UCSC campus is at capacity, and is faced with seemingly irreconcilable forces: a significant need for new beds, limited and expensive off-campus rental capacity, and limited debt capacity. Until recently, the campus' limited

debt capacity constrained its ability to develop significant new housing. President Napolitano's Public-Private Partnership Model (P3) would allow UCSC to meet its demand for new housing within its existing debt capacity by 2020. P3 would allow the campus to address three key issues. First, a systemwide solicitation should yield a developer who could build at the necessary scale and cost. Without the systemwide effort, some developers might not be willing to bid on a UCSC project. Second, under the financial mechanism of the P3 model, only a limited portion of the total project cost would count against the campus' debt capacity. Third, P3 would allow the campus to deliver the needed capacity with only modest and predictable housing rate increases for students.

Chancellor Blumenthal outlined UCSC's housing plans including a P3 project of new construction and redevelopment on a 90-acre west campus site that would add 3,000 beds and enlarge dining facilities at Porter College and College Eight. He anticipated that the west campus project would attract highly competitive proposals. The campus would work closely with the Office of the President and anticipated a swift process. A Request for Qualifications would be released in the fall of 2016, with developer selection in early 2017. Plans include new housing on undeveloped areas, as well as replacement of older housing.

Chancellor Blumenthal discussed campus plans for housing to respond to the University's accelerated pace of enrollment growth. UC Santa Cruz has a pressing need for housing before P3 housing would be available. Conventional onsite construction would be too costly and too slow. The only viable option to add 360 new beds within one year would be pre-fabricated modular construction. These units would not be mobile, but would be installed on engineered foundations. They would offer attractive, light-filled spaces built with high-quality materials. UC Santa Cruz has had great success with The Village, a modular housing community built 20 years prior that was still a popular choice for students. These units are placed thoughtfully to build community, and offer single bedrooms, kitchen, laundry, study facilities, and onsite staff. The campus has identified a three-acre site near existing utilities, transportation stops, and recreational facilities, with the capacity for one- to three-story modular units that could house 360 students beginning in fall 2017. These units could be filled just by meeting the campus' housing guarantee agreements and without this project, the campus would be forced to cap enrollment. Chancellor Blumenthal summarized that this two-pronged strategy would meet UCSC's short- and long-term housing needs.

Committee Chair Makarechian agreed that housing must be developed quickly at UC Santa Cruz. He commented that it was unfortunate that only 350 beds had been developed in the past ten years and expressed his opposition to developing modular housing. He questioned the campus' estimates of cost per bed at \$70,000 for modular housing and \$172,000 for built construction, and the campus' assertion that it would take two years to construct housing on site. He expressed his view that permanent housing could be constructed in less than one year. He suggested that the campus find a contractor to develop high-quality housing and offered his assistance. The cost of roads, utilities, and infrastructure for modular construction would be the same as for high-quality

construction. He suggested that it may even be less expensive to build permanent housing on site than it would be to use prefabricated housing.

Regent Pérez expressed agreement with Committee Chair Makarechian about the cost of developing modular housing compared with high-quality housing. He acknowledged that modular housing could have a longer life than anticipated, but expressed his view that developing modular housing would not be the optimal use of campus space or of the funds invested. He stated that the campus should aim for the optimal solution, which he believed could be accomplished more quickly than had been the University's past practice.

Committee Chair Makarechian expressed his view that the perception that modular housing was much faster to construct than built construction was a marketing tool of the modular industry. He commented that modular construction was limited to certain designs and heights, because of requirements needed to transport the units to the site. In spite of cosmetic improvements, modular construction has a monotonous appearance and, once installed, tends to be kept in place for longer than originally planned. It was not the best way to use the beautiful Santa Cruz campus. He encouraged the campus to engage architects and builders capable of constructing high-quality housing quickly.

Regent Sherman associated himself with Committee Chair Makarechian's comments. The Village modular housing was still in place 20 years after it was installed, and therefore was not really temporary. Using more modular housing would reduce the overall quality of the campus' housing. He encouraged the campus to explore using other UC campus housing designs that could be fast-tracked with appropriate incentives to builders, such as monetary incentives for early delivery. A phased approach could be used to deliver some units very quickly. Infrastructure costs would be the same for modular or high-quality construction.

Chancellor Blumenthal commented that 90 percent of the beds he had discussed would be permanent construction developed through P3. Only ten percent would be modular housing. The site planned for the modular housing was not one planned for permanent housing, but was planned for other uses. Infrastructure installed at the site could be used for other purposes in the future. He explained that the reason the campus had not developed more housing was because of the limitations of its debt capacity coupled with the need to replace a large number of existing beds. This proved to be very difficult to accomplish within the traditional funding approach. The new options available through the President's Housing Initiative were very important to UC Santa Cruz. He reiterated that student satisfaction with modular housing in The Village was very high.

Executive Vice President and Chief Financial Officer Brostrom reported that his office had engaged a real estate advisor, Jones Lang LaSalle, Inc., who had met with staff at the Santa Cruz campus. Mr. Brostrom's office would be issuing a Request for Qualifications for a master developer and the 90-acre parcel on the west side of the Santa Cruz campus would be one of the first P3 projects considered. During his and Ms. Kim's visits to all UC campuses, the Santa Cruz students were most insistent about the need for additional

housing. Students reported that the reduction in the amount of available common space resulting from the conversion of double rooms to triple rooms, and lounges to bedrooms was detrimental to students' academic life and their general quality of life. Students expressed support for the quick development of housing like The Village.

Regent Pérez observed that the desire to move as quickly as possible was clear. Students would be the strongest voices for quick resolution, since they are living with the reality of triple rooms and the lack of common space. But these forces need not lead to only one outcome, since there was a desire to examine other ways to address the immediate need for housing. The problem of debt capacity did not apply only to the Santa Cruz campus and should provoke a deeper discussion about possible changes both to UC policy and the approach of the Governor and the Legislature. Otherwise, considerations of debt capacity would drive too many decisions.

Regent Schroeder asked if construction of modular housing would relieve current density problems at UC Santa Cruz. Chancellor Blumenthal responded that the campus hoped the modular housing would serve several purposes. First, it would accommodate enrollment growth anticipated for fall 2017. The campus' current housing stock would not allow it to take any additional students in fall 2017. Second, modular housing would allow the campus to relieve the high density, at least with regard to student lounges that had been converted to bedrooms. Third, the modular units would allow the campus to house students when existing housing was repaired or replaced. UC Santa Cruz Provost Alison Galloway added that the single rooms in the modular housing would be attractive to upper-class undergraduates with housing guarantees.

Regent Sherman asked about the campus' plans to finance the modular housing and if UC policy had any financing restrictions for modular housing. Mr. Brostrom commented that UC Santa Cruz had fairly sizeable housing reserves that would be used for the equity portion of the financing. The constraint on debt stems from tax laws requiring that the term of the debt be no more than 120 percent of the useful life of the building. If the modular housing were deemed to not be viable for 40 years, the University would be constrained in the term of the financing. He expressed his view that, given current borrowing rates, this would not be a barrier. Committee Chair Makarechian said the restrictions on financing for modular housing should also be considered. Mr. Brostrom clarified that the key factor would be how quickly a design-build project could be implemented. In the past, UC was not effective in completing such projects quickly, but given the present urgency of enrollment growth and escalating rental rates in the housing markets surrounding many UC campuses, his office would work with the campus to explore options that would be brought to the Committee. Mr. Brostrom confirmed that debt capacity would not be affected by whether the housing would be modular housing or high-quality.

Committee Chair Makarechian observed that infrastructure costs would be higher if the housing were spread out over a larger area. If the campus planned to take the modular housing down after 15 years, its cost per year would be much higher than more

permanent housing. He suggested that the campus take these and other considerations expressed by the Regents into account.

4. **APPROVAL OF PRELIMINARY PLANS FUNDING, MINNESOTA STREET STUDENT AND TRAINEE HOUSING, SAN FRANCISCO CAMPUS**

The President of the University recommended that the 2016-17 Budget for Capital Improvements and the Capital Improvement Program be amended to include the following project:

San Francisco: UCSF Minnesota Street Student and Trainee Housing – preliminary plans – \$12.8 million to be funded from housing reserves (\$7 million) and campus funds (\$5.8 million).

[Background material was provided to Regents in advance of the meeting, and a copy is on file in the Office of the Secretary and Chief of Staff.]

Associate Vice President Sandra Kim introduced this item requesting approval of \$12.8 million in preliminary plans funding for UCSF’s Minnesota Street Student and Trainee Housing. The proposed project on University-owned property close to the Mission Bay campus would provide up to 610 units for about 810 occupants. The funding requested would allow the campus to engage a design and construction team to complete programming and design development. Preliminary plans funding would be from housing reserves and other campus resources.

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

5. **APPROVAL OF THE BUDGET, EXTERNAL FINANCING, AND DESIGN FOLLOWING ACTION PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT, MULTIDISCIPLINARY RESEARCH BUILDING 1, RIVERSIDE CAMPUS**

A. The President of the University recommended that the Committee recommend to the Regents that:

(1) The 2016-17 Budget for Capital Improvements and the Capital Improvement Program be amended as follows:

From: Riverside: Multidisciplinary Research Building 1 – preliminary plans – \$6.89 million to be funded from campus funds.

To: Riverside: Multidisciplinary Research Building 1 – preliminary plans, working drawings, construction and equipment – \$150 million to be funded from external financing.

- (2) The scope of the Multidisciplinary Research Building 1 shall consist of constructing a five-story, 179,100-gross-square-foot building that would provide approximately: 76,300 assignable square feet (ASF) of research laboratory, laboratory support, and research office space; 10,270 ASF of vivarium space; 25,340 ASF of scholarly activity and building support space; and 13,600 ASF of shell space.
 - (3) The President be authorized to obtain external financing not to exceed \$150 million. The President shall require 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, general revenues from the Riverside campus 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.
- B. The President recommended that, following review and consideration of the environmental consequences of the proposed Multidisciplinary Research Building 1 project, as required by the California Environmental Quality Act (CEQA), including any written information addressing this item received by the Office of the Secretary and Chief of Staff no less than 24 hours in advance of the beginning of this Regents meeting, testimony or written materials presented to the Regents during the scheduled public comment period, and the item presentation, the Committee:
- (1) Adopt the Initial Study/Mitigated Negative Declaration for the Multidisciplinary Research Building 1 project in accordance with CEQA.
 - (2) Adopt the CEQA Findings and Mitigation Monitoring and Reporting Program for the Multidisciplinary Research Building 1 project. By adopting the CEQA Findings, the Regents reaffirm the Statement of Overriding Considerations adopted in association with certification of the UC Riverside 2005 Long Range Development Plan Environmental Impact Report from which the Project's Initial Study/Mitigated Negative Declaration tiers.
 - (3) Approve the design of the Multidisciplinary Research Building 1 project for the Riverside campus.

[Background material was provided to Regents in advance of the meeting, and a copy is on file in the Office of the Secretary and Chief of Staff.]

Associate Vice President Sandra Kim introduced this request for approval of the budget, external financing, and design, and adoption of the California Environmental Quality Act Findings for the proposed Multidisciplinary Research Building 1 (MRB1) at UC Riverside. The project would include construction of a new building that would provide high-quality laboratory and laboratory support space. Preliminary plans funding had been approved at the September 2015 meeting. The project was estimated to be completed in fall 2018.

Chancellor Wilcox commented that the MRB1 would be UC Riverside's first design-build project. Responding to guidance from the Committee, the campus had been able to increase the size of the building, enhance its quality, and reduce its price per square foot. The MRB1 would align with UC Riverside's goals and would address anticipated enrollment growth. By 2020 the campus planned to add 300 faculty; 90 have been added already, with 80 more anticipated for fall 2016. The addition would reduce UC Riverside's student-faculty ratio to a level more consistent with the rest of the UC system. In the past three years, the campus had experienced a 47 percent increase in federal research funding. MRB1 would be the first piece of a comprehensive, integrated plan for campus growth, essential to the campus' increasing enrollment, ambitious faculty hiring, and robust research enterprise. The building's laboratory design would encourage collaboration and its modular design would allow flexibility to adapt to future research needs.

Chancellor Wilcox stated that the design-build process added considerable value to the project. MRB1 would include more than 125,000 assignable square feet (ASF), a 39 percent increase over the amount originally planned, without increasing the original budget. The building's efficiency had been increased from 60 percent to 70 percent, allowing six additional research groups to be accommodated, for a total of 56 primary investigators. The design-build process also yielded increased specialized research space, site enhancements, an expanded vivarium, and 13,600 additional ASF of shelf space. The campus intends that the project achieve a Leadership in Energy and Environmental Design (LEED) Platinum certification through a variety of strategies, including outperforming energy efficiency standards by 20 percent, reducing indoor water consumption by 35 percent, diverting 95 percent of construction waste from landfills, using drought-tolerant plants and high-efficiency irrigation systems, and utilizing the existing campus chilled water system to cool the building. The increase in ASF would allow more collaboration space, critical since MRB1 would house faculty and researchers from engineering, life and chemical sciences, and medicine.

The campus was requesting adoption of the Mitigated Negative Declaration. The building is tiered from the Environmental Impact Report (EIR) for UCR's 2005 Long Range Development Plan (LRDP) as supplemented and updated by the LRDP Amendment 2 EIR in 2011. Public review took place from April 5 through May 4, 2016.

Chancellor Wilcox discussed the project's cost per square foot and displayed a slide showing cost per square foot for comparable UC facilities and private institutions. As a result of the competitive design-build process, and other advantages such as the flat,

accessible site and fortunate timing for construction costs, the cost per square foot was \$641, exclusive of shelf space, compared with the \$750 to \$850 original estimate.

Regarding the funding of MRB1, Chancellor Wilcox affirmed that UCR’s debt-affordability model shows that UCR meets the University’s standard for cash flow margin and debt service to operations. Factoring in a second research building, MRB2, which the campus planned to bring to the Committee within the current year, UCR would still fall within the University’s debt limits. UC Riverside would fund the debt for MRB1 with unencumbered Facilities and Administrative cost recovery. The campus anticipates an additional \$6 million in unencumbered indirect cost recovery by 2020, given its current rate of research growth.

Committee Chair Makarechian expressed appreciation for the improvements to the project.

Regent Ramirez commented that UCR students are excited about the new research facilities.

Committee Chair Makarechian said the cost should not increase above the proposed \$150 million. Chancellor Wilcox agreed.

Upon motion duly made and seconded, the Committee approved the President’s recommendation in B. and voted to present the recommendation in A. above to the Board.

6. APPROVAL OF THE BUDGET, GEFFEN ACADEMY AT UCLA, LOS ANGELES CAMPUS

The President of the University recommended that the 2016-17 Budget for Capital Improvements be amended to include the following project:

Los Angeles: Geffen Academy at UCLA – preliminary plans, working drawings, construction and equipment – \$35 million to be funded from gift funds.

[Background material was provided to Regents in advance of the meeting, and a copy is on file in the Office of the Secretary and Chief of Staff.]

Associate Vice President Sandra Kim introduced this request for approval of the \$35 million budget for the Geffen Academy at UCLA for renovation of a three-story 75,000 gross-square-foot building located in the Southwest Campus. The project scope would include site improvements and interior upgrades to meet occupancy standards and house Academy students beginning in fall 2018. The proposed project would be funded by a portion of a \$100 million gift from philanthropist David Geffen to establish and support the Academy.

Vice Chancellor Steven Olsen added that the building to be renovated is the Kinross Building, originally designed as an instructional building. The building's existing occupants were being relocated, and the relocation is planned to be completed by the end of the year. Construction would commence in January 2017 and was planned to be completed by September 2018. The Academy would open in September 2017 with two entering classes housed in the adjacent Kinross South Building.

Regent Zettel asked about ongoing financial support and whether the Academy would charge tuition. Mr. Olsen said the Academy would be organized as a self-supporting auxiliary operation and would charge tuition with substantial financial aid to ensure broad access and diversity. The gift agreement called for a \$25 million endowment. Regent Zettel asked if children of UCLA's faculty and staff would be eligible to attend. Mr. Olsen responded that up to one-half of Academy students would be children of UC faculty and staff, and one-half would be members of the broad-based community. The Academy intended to be available to children of families from diverse financial circumstances.

Staff Advisor Richmond asked if children of financially distressed staff would be considered for financial aid. Mr. Olsen answered in the affirmative.

Committee Chair Makarechian expressed strong support for the project and explained that, due to the lack of a quorum, voting on this item would be deferred.

7. **PLANS FOR THE WARNER GRADUATE ART STUDIO RENOVATION AND ADDITION, LOS ANGELES CAMPUS**

[Background material was provided to Regents in advance of the meeting, and a copy is on file in the Office of the Secretary and Chief of Staff.]

Associate Vice President Sandra Kim introduced this discussion of plans to renovate an existing facility for the Master of Fine Arts (MFA) program at UCLA, by repairing or replacing existing building systems and adding approximately 15,000 square feet of space to the existing 21,000 square-foot warehouse structure. The Warner Graduate Art Studio, located on University-owned property in Culver City, 4.5 miles from the UCLA campus, currently accommodates graduate student art studios in photography, sculpture, and ceramics, computer laboratories, exhibition space, and open teaching space for classes. The project would be funded entirely through gifts.

Interim Dean of the UCLA School of the Arts and Architecture and Professor of Choreography David Roussève said UCLA's MFA program had been housed in the Warner Graduate Art Studio since 1985. UCLA's graduate art program is currently ranked second in the nation and first among the nation's public universities by the most recent *U.S. News and World Report*. The MFA program, with an enrollment of 42 students, is divided into six distinct academic major areas of study, which would have implications for the design of the building. The project would provide a state-of-the-art building for the innovative MFA program. The Warner Graduate Art Studio is located in

the Hayden Tract of Culver City, formerly an industrial tract, but rapidly evolving into a center of creativity and innovation. The arrival of the light rail system the prior year allowed for increased interaction with the greater Los Angeles community. The project would be to renovate and enlarge the facility, improving ventilation, lighting, indoor-outdoor adjacencies, and space for large-scale art. The building had not kept pace with the growth of the field.

The lead gift to support the project was \$20 million from Los Angeles former gallery owner and art dealer Margo Leavin, a UCLA alumna. A fundraising campaign would be launched in September to raise the balance of the anticipated \$30 million to \$32 million project funding.

The renovation would provide indoor and outdoor spaces for art production and exhibitions, several community spaces, 48 individual art studios organized in loose clusters, a gallery, classroom, artist in residence space, and a large sculpture yard, all connected by a courtyard and garden. The new public and community spaces would enable students, faculty, and staff to operate a regular schedule of public programs and exhibitions, which the current space does not allow.

Regent Zettel asked if the program would enroll more students as a result of the renovation. Mr. Roussève said he did not anticipate an expansion of the program, although it had grown from 36 to 42 students in recent years. The curriculum is based on individual and small group studio interaction with faculty.

Committee Chair Makarechian asked if it might be advantageous to sell this facility and move the program closer to the UCLA campus. Mr. Roussève responded that the redeveloped Hayden Tract in Culver City had become a center of creativity and innovation for Los Angeles, making the facility's location quite favorable for students and faculty, and enabling outreach from the program to the broader community.

Committee Chair Makarechian asked if the campus had considered building an additional level for student housing. Mr. Roussève responded that that possibility had not been considered. As conceived, the renovation would include one residential unit for guest faculty. Vice Chancellor Steven Olsen said the campus would consider that possibility, but commented that the nature of the program lent itself to a single-level building.

Regent Sherman asked if the facility would be open to the public with gallery hours or to show works in progress. Mr. Roussève said the facility would continue and expand its quarterly open studios. The planned gallery space would create new possibilities for public gallery hours.

Regent Pérez questioned whether the use of this space would be optimal and whether these improvements would be the best way to increase interaction with the diverse segments of the Los Angeles artistic community. He associated himself with Committee Chair Makarechian's comments about the possibility of building up and suggested using part of the funding for outreach programming. Mr. Roussève responded that the proposed

renovation would provide much-needed improvement to the top-ranked MFA program’s studio space. He described ongoing outreach efforts at UCLA in choreography, and the Visual and Performing Arts Education Program, and affirmed the commitment of the School of the Arts and Architecture to create interaction with a wide range of Los Angeles constituencies. This project would allow the campus to increase that interaction.

Committee Chair Makarechian suggested that the campus consider making use of the property’s air rights.

The Committee recessed at 4:25 p.m.

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The Committee reconvened on July 21, 2016 at 9:00 a.m.

Members present: Regents Makarechian, Pérez, Schroeder, Sherman, Varner, and Zettel; Ex officio members Lozano and Napolitano; Advisory member Hare; Staff Advisors Richmond and Valdry

In attendance: Regents Brody, De La Peña, Island, Kieffer, Lansing, Ortiz Oakley, Pattiz, Ramirez, and Reiss, Regents-designate Lemus, Mancina, and Monge, Faculty Representative Chalfant, Secretary and Chief of Staff Shaw, General Counsel Robinson, Chief Compliance and Audit Officer Vacca, Provost Dorr, Executive Vice President and Chief Financial Officer Brostrom, Executive Vice President and Chief Operating Officer Nava, Senior Vice President Henderson, Vice Presidents Brown, Budil, Duckett, and Humiston, Chancellors Block, Blumenthal, Dirks, Hawgood, Khosla, Leland, Wilcox, and Yang, Acting Chancellor Hexter, and Recording Secretary McCarthy

8. APPROVAL OF THE BUDGET, GEFFEN ACADEMY AT UCLA, LOS ANGELES CAMPUS (CONTINUED)

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

The meeting adjourned at 9:05 a.m.

Attest:

Secretary and Chief of Staff