*****Revised*****
Revisions shown by double strikeout; additions by double underscore

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Office of the President

TO MEMBERS OF THE COMMITTEE ON GROUNDS AND BUILDINGS:

ACTION ITEM

For Meeting of January 18, 2012

AMENDMENT OF THE BUDGET, APPROVAL OF AN INCREASE OF EXTERNAL FINANCING, AND APPROVAL OF DESIGN FOLLOWING ACTION PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT, TERCERO STUDENT HOUSING PHASE 3, DAVIS CAMPUS

EXECUTIVE SUMMARY

The proposed Tercero Student Housing Phase 3 project will demolish twelve existing seismically deficient residence halls that provide housing for 800 undergraduate students and redevelop the project site with seven four-story residence halls that provide housing for 1,200 undergraduate students. Additional program elements include a 250 seat lecture hall, study areas, student activity space, senior resident advisor apartments, laundry space and a resident staff office.

In January 2011, the Regents approved the budget for the Tercero Student Housing Phase 3 project at a total project cost of $80,243,000 to be funded from external financing ($60,182,000) and the Davis Housing System Reserves ($20,061,000). The project is scheduled to be completed for occupancy in the fall of 2014.

The item proposes an augmentation of $8,198,000, to be funded from external financing, for a total project cost of $88,441,000. Housing rates remain unchanged from those included in the January 2011 Regents item and the project cost per bed remains among the lowest for student housing constructed in the UC system in the past few years.

The augmentation consists of $7,110,000 for construction, $732,000 for interest during construction and $356,000 for increased contingency related to the increase in construction. Construction cost increases include the following items that were added during the design-build proposal phase to add value, increase functionality, improve quality and durability and reduce energy and maintenance life cycle costs: 1) upgraded heating and cooling system, 2) increased energy efficiency, 3) building envelope and finishes upgrades and 4) commercial grade prevailing wages.

The item also seeks approval of design following action pursuant to the California Environmental Quality Act (CEQA). Tercero Phase 3 will have a design similar to the existing Tercero Student Housing Phase 1 and Phase 2 projects, consistent with the theme of the Tercero Student Housing neighborhood.

Previous Actions
- November 2010: Acceptance of the project in the *2010-20 Consolidated State and Non-State Capital Financial Plan* at a total cost of $93,000,000.
- January 2011: Approval of Budget ($80,243,000) and External Financing ($60,182,000).

Proposed Actions
- Approve an $8,198,000 augmentation for a proposed project budget of $88,441,000.
- Approve an increase of $8,198,000 of external financing.
- Adopt the Findings and the Mitigation Monitoring and Reporting Program.
- Approve the design following action pursuant to CEQA.

Statement of Issues
The $80,243,000 budget for the proposed Phase 3 project was based on the successful implementation of the Phase 2 project. Following the occupancy of Tercero Student Housing Phase 2 in the fall 2010 the campus gained insights into building and systems performance that were incorporated into the Phase 3 project between January 2011 and September 2011 and that added cost-effective life-cycle quality and value. These changes included the following items, at a cost of $7 million:

1) *Upgraded heating and cooling system*: Allow for better temperature control in all spaces and rooms regardless of the season. The first year of experience from the Tercero Phase 2 project completed in Fall 2010 demonstrated that common areas and other spaces often require both heating and cooling during spring and fall seasons.

2) *Increased energy efficiency*: Reduce energy operating costs by outperforming Title 24 energy requirements by 37 percent in lieu of UC minimum standard of 25 percent. Add utility metering for individual buildings to provide the capability to monitor and maintain targeted performance over time.

3) *Envelope and finishes improvements:* Upgrade the quality of the exterior stucco plaster wall system for increased durability and reduced potential for water intrusion problems. Upgrade the quality of the single ply roofing system for increased durability and life cycle cost reduction. Upgrade shower stall enclosures for increased durability and reduced maintenance costs.

4) *Commercial grade prevailing wages:* The Tercero Phase 3 project will have higher prevailing wage rates for commercial grade construction, whereas Tercero Phase 2 was subject to lower prevailing wage rates for residential construction.

Contingency costs increased by $356,000 in direct proportion (5 percent) to the increase in construction costs. Based on additional external financing directly related to the increase in construction, the estimated interest during construction increased by $732,000.

RECOMMENDATION

1. The President recommends that the Committee on Grounds and Buildings recommend to the Regents that:

   A. The 2011-12 Budget for Capital Improvements and the Capital Improvement Program be amended as follows:

      From: Davis: Tercero Student Housing Phase 3 – preliminary plans, working drawings, and construction – $80,243,000, to be funded from external financing ($60,182,000) and the Davis Housing System Reserves ($20,061,000).

      To: Davis: Tercero Student Housing Phase 3 – preliminary plans, working drawings, and construction – $88,441,000 to be funded from external financing ($68,380,000) and the Davis Housing System Reserves ($20,061,000).

      Deletions shown by strikeout; additions by underscore

   B. The scope of the Tercero Student Housing Phase 3 project shall include approximately 216,108 assignable square feet which is anticipated to accommodate 1,200 beds.

   ~~B. The project scope remain the same as described in the January 2001 Regents Approval.~~

   C. The President be authorized to obtain external financing not to exceed ~~$60,182,000~~ $68,380,000 to finance the Tercero Student Housing Phase 3 project. The Davis campus shall satisfy the following requirements:

      (1) Interest only, based on the amount drawn down, shall be paid on the outstanding balance during the construction period.
      (2) As long as the debt is outstanding, general revenues of the Davis Campus shall be maintained in amounts sufficient to pay the debt service and to meet the related requirements of the authorized financing.
      (3) The general credit of the Regents shall not be pledged.

   D. Authorize the President to execute all documents necessary in connection with the above.

2. The President recommends that, upon review and consideration of the environmental consequences of the proposed Tercero Student Housing Phase 3 project, the Committee on Grounds and Buildings:

A. Adopt the Initial Study/Mitigated Negative Declaration for the Tercero Phase 3 Expansion, which is tiered from the 2003 LRDP EIR.

B. Approve and incorporate into the Project all project elements, Project-Specific Mitigation Measures GHG-1, NOI-1, and TRA-1, the Mitigation Monitoring Program for the Tercero Phase 3 Expansion Project, and relevant 2003 LRDP EIR mitigation measures identified in the Findings and as more specifically described in the Tercero Phase 3 Expansion Project Initial Study/Mitigated Negative Declaration.

C. Adopt the CEQA Findings for the Tercero Phase 3 Expansion.

D. Approve the design for the Tercero Phase 3 Expansion.

BACKGROUND

The UC Davis Student Housing program strives to deliver an excellent living experience by providing a safe, comfortable environment that will foster community interaction and educational development. The 1,200 undergraduate bed Tercero Student Housing Phase 3 is part of the *Student Housing Strategic Plan* and completion of the proposed project will allow UC Davis Student Housing to meet its goal of providing sufficient inventory to house all first-year freshmen and first-year transfer students that choose this housing option.

General campus planning and specific project goals include:
- Create environments that encourage social interaction among residents while achieving privacy, comfort, and safety.
- Integrate learning and living in an enriched campus environment that fosters academic success.
- Create connections among communities within the facility and to the larger campus community.
- Maintain facilities that are safe including seismic integrity under University of California seismic policy and California Building Code.

Project Overview
The proposed Tercero Student Housing Phase 3 project will demolish and replace twelve 3-story seismically deficient residence halls, constructed in 1967, that currently house 800 students. Seismic studies completed in 2009-10 found the buildings to be "Poor" to "Very Poor" under the *University of California Seismic Policy*. The Regents adopted new seismic standards in the summer 2010, but since the campus determined under the prior seismic policy that demolition is appropriate, it is unnecessary to re-evaluate the buildings using the new seismic standards. The proposed Tercero Student Housing Phase 3 project will demolish the twelve buildings and redevelop the project site with seven four-story residence halls that provide housing for 1,200 undergraduate students. Additional program elements include storage space, a custodial break room and office, a residential staff office, Senior Resident Advisor apartments, study

lounges, community space, laundry facilities and 250-seat lecture hall. The complex will be similar in design to the Tercero Phases 1 and 2 projects.

The demolition of the existing buildings is straightforward and will be performed under the Construction Manager at Risk (CM at risk) delivery method. However, the campus chose the design-build delivery strategy for the construction of the new buildings to achieve a best value outcome. Design-build brings the building contractor into the project early to help orchestrate and optimize scheduling, phasing, and execution of the work plan. The strategy assumes that early involvement by the builder will result in a more efficient and higher value outcome. During the Request for Proposal (RFP, or bidding) phase, the three pre-qualified design-builders worked with the campus on issues of cost-effective quality and value, and based on the "lessons learned" in earlier projects the campus elected to incorporate certain value-added items in the final scope of the project, which the design-builders included in their designs and bid prices at the end of the Schematic Design phase. The three design-build bids were in close agreement, all within 4.5 percent of each of each other.

The project is scheduled for completion in time to house students for fall quarter 2014.

Alternatives
The campus evaluated several options to correct the seismic deficiencies in the existing twelve three-story Tercero Residence Halls. The project cost to correct and renew the twelve residential halls (800 beds) in 2009-10 was approximately $51 million ($63,750 per bed). The project cost of the proposed new 1,200 bed project is approximately $88.4 million ($73,701 per bed). Although the per-bed cost of renovation is less, there are several compelling advantages to demolition and replacement, including:

- The proposed Phase 3 project adds 400 beds to the housing inventory.
- Redistribute buildings in a more efficient arrangement on the site and compliment the site planning implemented with Tercero Student Housing Phase 1 and Phase 2.
- Preserve space south of the site for a future new classroom or academic building.
- Improve pedestrian and bicycle circulation patterns to allow safe and efficient movement of 2,400 students in the Tercero complex to core campus destinations.
- Constructs the new floor plan designed and tested in Segundo Housing projects and the Phase 1 and Phase 2 projects that creates cluster groups of 50 students living in proximity to each other, optimizing the ratio of students to residence assistants, and facilitate housing goals related to student life.
- Replaces run-down facilities nearing the end of their useful life with equivalent quality to the Segundo and Tercero Phase 1 and Phase 2 residence halls to meet student and parent expectations.
- Renovation of the existing buildings is not as efficient or durable over the next 30 years as the proposed new buildings. Future operating and maintenance costs will be lower in the proposed project due to new improved and tested interior and exterior designs and mechanical systems designed to be 35 percent more efficient than Title 24 performance standards.

The Davis campus determined that a campus managed project that replaces the twelve seismically deficient structures built in 1967 with new facilities for 1,200 students was the highest value project for the University. This conclusion was informed by the 2010 Business Case Analysis prepared by the campus for Tercero Student Housing Phase 3.

Consideration of Public Private Partnership
As part of the campus's internal budget process conducted last year, this capital project was evaluated for its potential to be delivered as a private- public partnership (PPP). Consideration of PPPs by the UC is based on cost savings, potential advantages in risk allocation, services provided to undergraduates, and in management efficiencies offered by experienced private developers who specialize in building types commonly developed by the private sector. The campus has determined Tercero Student Housing Phase 3 is not a suitable candidate for a PPP because:

- A significant element of the project is linked to the residential program experience, student services, and programs to support the successful transition of freshman and transfer students into the University life. The campus has significant expertise delivering student life programs that include tutoring, counseling, recreation, and other support services. Industry experience suggests privatizing student life program delivery to these students is not as successful as programs managed by the Davis campus professionals.

- Tercero Student Housing Phase 3 has operating synergies with Phase 1, Phase 2, and the Tercero Dining Commons which are operated by Campus Housing.

PROJECT DESCRIPTION

The entire Tercero Student Housing Area, with completion of Phase 3, will house approximately 2,400 undergraduate students in low rise buildings, organized around a series of courtyards and a central dining commons building. The proposed Tercero Student Housing Phase 3 project will include 1,200 beds in a combination of single and double rooms and a number of common facilities. The project will replace 800 beds currently housed in twelve seismically deficient three-story buildings (six Tercero Pierce and six Tercero Thille residential halls) totaling 158,004 GSF.

The residential element of the project is comprised of groups of 50 students per floor, which create a small community within a 4-story building that typically houses 200 students total. Each floor also houses a Resident Assistant. This ratio has proven effective in assisting new students in making the transition from home life to the University. Recent residence hall projects have been designed this way and have been very successful and popular with UC Davis students. The physical boundaries of these groupings are clearly delineated, typically as a whole floor of a separate building.

Common facilities serving several groups of residents, typically about 200 students in a building, include a main lobby lounge, laundry, study rooms, common space and a study room of

approximately 800 square feet. The project will also contain a large lecture hall seating 250 people which may be used for events and lectures serving the entire Tercero district. The Phase 3 project is composed of seven individual residence hall buildings, each surrounding a unique courtyard. This configuration develops community at several different scales, from the intimacy of the courtyards to the integration into the larger Tercero housing area with its dining commons and other student amenities.

Design

The Tercero Student Housing Phase 3 buildings are four stories in height, with a warm and varied color palette. They are architecturally distinctive while still complimenting the style and color palette of the adjacent Tercero Phase 1 and Phase 2 complexes. This phase will complete the north edge of the Tercero community. The structures will be wood framed with exterior building materials consisting of cement plaster, fritted glass at building entrances, metal sunshades, and accent tile, all of which are chosen because they are cost effective, low maintenance, sustainable, and contextual with the adjacent buildings. Many of the existing mature trees will be protected and preserved to create a mature, shaded landscape. Planting will focus on the development of local and native plantings to minimize maintenance and water use.

Some key sustainable features include:

- Capture of waste heat from the adjacent central heating and cooling plant boilers. The waste heat will be reclaimed from campus boilers and distributed through water piping to provide heating hot water for the entire complex. This eliminates the need for steam generated heating hot water and drastically reduces the energy used to provide hot water and the associated carbon footprint. It is anticipated that the campus will save $450,000 annually in energy costs and will reduce the carbon dioxide emissions 5.9% over the 2009-10 levels.
- Water efficient landscaping and use of drought tolerant plantings.
- Specification of regional building materials that are extracted, processed, and manufactured regionally.
- Energy efficient mechanical system including natural ventilation, contributing to overall energy efficiency of 37% better than Title 24 and exceeding policy requirements for a minimum performance 25% better than Title 24.
- Innovative options for storm water collection and retention.
- Use of existing landscape features; large trees; for passive cooling and use of the long east/west orientation of the site to take advantage of building orientation.
- The project will achieve LEED™ Gold certification, with the possibility of achieving a Platinum certification.

The design build team includes Sundt Construction as the Design Builder with EHDD Architects as the architect.

Need for Augmentation
The design-build process provided the opportunity to evaluate a number of options to add value, increase functionality, improve durability and reduce energy and maintenance life cycle costs. The cost of these items including interest during construction and contingency is summarized below:

			Notes
Direct			
Building	$	7,915,000	(1)
Exterior Utilities	$	(819,000)	(2)
Site Development	$	14,000	(3)
Subtotal	**$**	**7,110,000**	
Indirect			
Interest During Construction (Specialty Item)	$	732,000	(4)
Contingency	$	356,000	(4)
Subtotal	**$**	**1,088,000**	
TOTAL	**$**	**8,198,000**	

(1) Building Cost (increase of $7,915,000)
Upgraded heating and cooling system: Year round heating and cooling was added to allow for better temperature control in all spaces and rooms, including common spaces such as study lounges, floor lounges and lobbies. As originally conceived, all rooms in the buildings are either on heating mode or cooling mode, which is generally comfortable when outside temperatures are closer to their extremes. During the fall or spring, with more moderate temperatures, the common spaces with higher occupancy and larger windows will often require the opposite mode than the bedrooms. While the interior temperatures are acceptable most of the time in the older residence halls, the campus has learned there are periods of discomfort when the common spaces are either too hot or too cold, and so this change was made to allow the interior temperatures to be more precisely controlled. This required that additional water piping be distributed throughout the entire complex of the seven buildings.

Increased energy efficiency: Increasing energy efficiency will reduce energy operating costs. Energy efficiency enhancements include higher performance windows, occupancy sensors controlling the restroom exhaust system, and the addition of utility metering for individual buildings to provide the capability to monitor and maintain targeted performance over time. Together, these and other measures result in the project outperforming Title 24 energy requirements by 37 percent in lieu of UC minimum standard of 25 percent.

Envelope and finishes improvements: Upgrading the quality of the exterior stucco plaster wall system will increase durability and reduce the potential for water intrusion problems that have been experienced on other recent campus projects. Upgrades include a higher

quality waterproof membrane, a crack resistant acrylic top coat, and enhanced mock-up and testing requirements. The single ply roofing system will be upgraded from 60 mil to 80 mil thickness for increased durability and life cycle cost reduction. Shower stall units will be upgraded from fiberglass to solid composite to improve durability and reduce maintenance costs.

Commercial grade prevailing wages: The Tercero Phase 3 project will have higher prevailing wage rates for commercial grade construction, whereas Tercero Phase 2 was subject to lower prevailing wage rates for residential construction. The campus experienced numerous challenges on Tercero Phase 2 with respect to performance and payment issues of several key trade subcontractors. As a result of lessons learned and with the goal of achieving high quality work and on-time delivery for this project—which is significantly larger than Tercero Phase 2 and includes a larger proportion of non-residential space for which the residential wage rate cannot be used—the campus elected to pre-qualify almost all key trade subcontractors, and set the prevailing rates for that of commercial grade construction

(2) Exterior Utilities (decrease of $819,000)
The contractor provided a more efficient site layout and routing of utilities.

(3) Site Development (increase of $14,000)
Costs were estimated at almost exactly the cost of the bid.

(4) Indirect Costs (increase of $1,088,000)
The indirect costs in the project are estimated proportional to the direct costs. The Interest During Construction increased due to the additional external financing. Contingency was increased proportional to the augmentation.

Housing Rates

Housing rates remain unchanged from those included in the January 2011 Regents Item. Table I, below, illustrates the planned rate increases for on-campus student housing to support both the Housing capital plan and operations based on assumptions illustrated in the Student Housing Ten Year Plan and the 2011-*21 Consolidated State and Non- State Capital Financial Plan*. Campus housing rates are expected to remain average among rates UC system-wide and competitive with off campus rates in Davis. By providing quality academic and student support programs and services in the residence halls, the campus expects to continue to attract first year students and maintain strong occupancy overall . With the completion of the Tercero Student Housing Phase 3 project in the fall 2014, 37 percent of the campus' residence halls will be new (less than five years old) and 55 percent will be less than ten years old. All dining facilities are also new or newly renovated. The combination of new facilities, a neighborhood environment, and quality programs and services are important to satisfy a strong demand and occupancy in on-campus housing.

Table I: On Campus Monthly Rate Increases

Fiscal Year	Operating & Equity Increases	Improvements to Housing Inventory	Total Rate Increase
11/12	2.0%	3.0%	5.0%
12/13	2.0%	2.3%	4.3%
13/14	2.0%	2.3%	4.3%
14/15	2.0%	2.3%	4.3%
15/16	2.0%	2.3%	4.3%

Policy Compliance
2003 Long Range Development Plan (LRDP)
This project is consistent with the land use designation of "Student Housing" in the *UC Davis 2003 Long Range Development Plan*.

Capital Financial Plan
The Tercero Student Housing Phase 3 project is consistent with the accepted 2010-20 Davis Capital Financial Plan. At the time of the writing, the campus anticipated a total project cost of $88,481,000 be funded from external financing ($68,380,000) and Housing System Reserves ($20,061,000).

Physical Design Framework
The *Physical Design Framework* describes creating a physical environment at the Davis campus that supports the academic mission, enhances personal and environmental health, and adds meaning and enjoyment to all who participate in the campus community. The Framework establishes the criteria the campus uses to evaluate proposed projects with regard to planning and design. Following are the key elements of the Tercero Student Housing Phase 3 project that demonstrate consistency with the Physical Design Framework.

Identity for District Centers: The project will strengthen the identity of the Tercero student housing district by making it a more consistent pattern of buildings. Originally consisting only of the dining commons and the small buildings that are to be demolished, this housing district has been greatly expanded to the south and now constitutes a much greater critical mass. The configuration of the recent projects has established a pattern of buildings that form courtyards for 400 to 600 students, which in turn surround a larger open space for all 1,200 students south of the dining facility.

The older project consists of 12 relatively small buildings distributed evenly across the landscape. While a popular design concept at the time, the buildings do not enclose the open space or contribute to spatially establishing and defining smaller sub-communities as the more recent housing projects do. Tercero Student Housing Phase 3 will unite the district with a consistent pattern of buildings of similar height, enclosed courtyards, and framed open spaces. The dining hall will be plainly visible from the north and south commons and the focal point of the entire 2,400 student district.

Campus Fabric: The colors and textures will strengthen the identity of the district and reinforce the pattern of finishes on campus as a whole. The Framework defines the different approaches to color that distinguish residential buildings from academic. Academic buildings are expected to be muted in color, using off-whites, grays, and beiges. Residential buildings have brighter colors, primarily in the warm red, orange, and yellow ranges. The recent Tercero housing projects to the south, as well as the dining hall adopt this color scheme. The entire Tercero Housing district will have a consistent range of colors that clearly signifies its use as residential.

Landscape Patterns: The project site contains numerous mature trees that are intermingled among the 12 existing buildings to be demolished. These trees were inventoried and assigned a degree of importance, consistent with the tree preservation program administered by the UC Davis Grounds department. Approximately 13 trees are Cork Oaks and considered the most important heritage trees on campus. They are expected to be largely preserved. As many as possible of the trees in the 2nd and 3rd category of importance will be preserved through careful planning of the new building footprints. The project will be completed with a substantial number of large trees throughout the site.

A large, landscaped open space will be created in the center of the Phase 3 project, fronted by the north edge of the dining commons, and encompassing an existing group of 4 large Cork Oaks. This space will provide an important amenity for the 1,200 residents of Phase 3, mirroring the green that was created through the recent development of the residential projects to the south.

Independent Cost and Design Review
The project design will be reviewed by an independent licensed architect. Peer review by an independent Structural Engineer is scheduled to occur at each stage of design.

Sustainable Practices
As required by the *UC Policy on Sustainable Practices*, the project would implement principles of energy efficiency and sustainability to the fullest extent possible, consistent with budgetary constraints and regulatory and programmatic requirements. The project intends to achieve LEED™ Gold certification. Because of baseline campus conditions relating to transportation, recycling, and other standard operating procedures, the incremental cost of the Gold certification above the minimum University standard of Silver is small. Platinum certification will sought after careful analysis of operational implications and life-cycle cost analysis.

ATTACHMENTS:

Attachment 1: Project Budget
Attachment 2: Summary of Financial Feasibility
Attachment 3: Project Graphics
Attachment 4: California Environmental Quality Act Compliance
Attachment 5: Complete CEQA documentation (including Mitigated Negative Declaration) (CD)
Attachment 6: CEQA Findings

ATTACHMENT 1

PROJECT BUDGET
CCCI 5943

Category	Approved Budget Jan 2011	Augment Request	Proposed Budget Jan 2012	% of Total
Site Clearance	$ 1,200,000	$ 0	$ 1,200,000	1.4%
Building [a]	56,694,000	7,915,000	64,609,000	73.1%
Exterior Utilities	5,050,000	(819,000)	4,231,000	4.8%
Site Development	1,800,000	14,000	1,814,000	2.1%
A/E Fees [b]	4,250,000	0	4,250,000	4.8%
Campus Administration [c]	2,320,000	0	2,320,000	2.6%
Surveys, Tests, Plans	340,000	0	340,000	0.4%
Special Items (excluding financing) [d]	2,590,000	0	2,590,000	2.9%
Financing Costs	2,762,000	732,000	3,494,000	3.9%
Contingency	3,237,000	356,000	3,593,000	4.1%
Total	$ 80,243,000	$ 8,198,000	$ 88,441,000	100.0%
Group 2 & 3 Equipment	0	0	0	
Project Cost	**$ 80,243,000**	**$ 8,198,000**	**$ 88,441,000**	

Project Statistics	Jan 2011	Jan 2012
GSF	280,940	280,940
ASF	216,108	216,108
Efficiency Ratio: ASF/GSF	77%	77%
Bed Count	1,200	1,200
Building Cost/GSF	$202	$215
Building Cost/Bed [e]	$47,245	$50,329
Project Cost/GSF	$286	$315
Project Cost/Bed [f]	$66,869	$73,701

Comparable Projects at CCCI 5943

Campus	UC Merced	UCLA	UC Davis	UC Davis
Project Name	Housing 3	Rieber N&W Halls	Tercero Phase 1	Tercero Phase 2
Budget Date	Fall 2008	Fall 2002	November 2002	June 2008
GSF	84,130	331,586	105,940	155,259
ASF	57,940	232,734	78,063	108,576
Efficiency Ratio: ASF/GSF	69%	70%	74%	70%
Bed Count	306	1222	400	591
Building Cost/GSF [e]	$322	$259	$198	$162
Building Cost/Bed [e,f]	$88,594	$70,318	$52,560	$42,591
Project Cost/GSF	$521	$444	$327	$229
Project Cost/Bed [f]	$143,113	$120,419	$86,586	$60,166

[a] The building cost includes abatement and demolition costs of $4.214,000.

[b] This is an element of the design build package of services.

[c] Campus Administration includes project and contract management staff.

[d] Special items include: Detailed Project Program ($400,000), Environmental ($20,000) Value Engineering ($100,000), Agency Review ($270,000), Regents Presentation ($30,000), Seismic Review ($40,000), Haz Mat Survey & Testing ($200,000), Archaeological Monitoring ($10,000), SWPP Filing Fee ($20,000), Special Consultant Water Proofing ($30,000), Approval Graphics ($10,000), Special Consultant, Fire Code ($50,000), LEED Review ($40,000), Campus Utility Connection Fee ($1,300,000), Special Consultant- Signage & Graphics ($70,000).

[e] Comparable projects do not include demolition.

[f] Includes the cost of the common space.

ATTACHMENT 2

SUMMARY OF FINANCIAL FEASIBILITY

Davis Campus	
Project Name	**Tercero Student Housing Phase 3**
Project ID	**951800**
Total Estimated Project Costs	**88,441,000**

Proposed Sources of Funding	
External Financing	**$68,380,000**
Campus Funds	**20,061,000**
Total	**88,441,000**

Below are results of the financial feasibility analysis for the proposed project using the campus' debt affordability model. The financial projections take into consideration market conditions, new sources of revenue and all previously approved projects.

Financing Assumptions	
Anticipated Repayment Source	**General Revenues of the Davis campus**
Anticipated Fund Source	**Davis Housing Revenues**
Financial Feasibility Rate	**6.00%**
First Year of Principal (e.g. year 10)	**FY 2017**
Final Maturity (e.g. 30 years)	**30 years**
Estimated Average Annual Debt Service	**$4,967,000**

	Campus Financing Benchmarks	
Measure	**10 Year Projections (as of 12/15/10)**	**Approval Threshold**
Debt Service to Operations	**3.0% (2013) (max)** [a]	**6.0%**
Debt Service Coverage	**4.55 x (2013) (min)** [a]	**1.75x**
Expendable Resources to Debt	**n/a**	**1.0x**
	Auxiliary Financing Benchmarks	
Debt Service Coverage	**1.77 x (2011) (min)**	**1.25x**

Financing approval requires the campus to meet the debt service to operations benchmark and one of the two other benchmarks for approval.

Measure	***Definition***
Debt Service to Operations (%)	*Annual Debt Service* / *Total Operating Expenses*
Debt Service Coverage (x)	*Operating Income + Depreciation + Interest* / *Annual Debt Service*
Expendable Resources to Debt (x)	*Expendable Financial Resources (unrestricted net assets + temporarily restricted net assets – net investment in plant)* / *Total Debt Outstanding*

[a] For Fiscal Year 2017, the first year of principal and interest payment on this proposed project

ATTACHMENT 4

CALIFORNIA ENVIRONMENTAL QUALITY ACT COMPLIANCE

A Tiered Initial Study (State Clearinghouse No. 2011112018) was prepared for the Tercero Phase 3 Expansion project in accordance with CEQA and the University of California Procedures for Implementation of CEQA. The Initial Study evaluates the proposed demolition and redevelopment actions that would take place to complete the entire Tercero Phase 3 Expansion project. UC Davis adopted the Mitigated Negative Declaration in December, 2011 in advance of the authorization to precede with the site demolition activities.

At this time, the University is completing the subsequent approval for design and construction of the redevelopment efforts needed to complete the expansion project. The Initial Study, in accordance with Section 15168 of the CEQA Guidelines, is tiered from the campus 2003 Long Range Development Plan Environmental Impact Report (2003 LRDP EIR) (State Clearinghouse No. 2002109092), which was certified by The Regents in connection with the approval of the 2003 LRDP in November 2003.

The Project is part of the physical development proposed in the 2003 LRDP; therefore, the environmental analysis for the Project is presented and analyzed within the context of the 2003 LRDP and incorporates by reference applicable portions of the 2003 LRDP EIR. The 2003 LRDP EIR, which is a program EIR pursuant to Section 15168 of the CEQA Guidelines, analyzes the overall effects of campus growth and facility development through 2015-16, and identifies measures to mitigate the significant adverse impacts and cumulative impacts associated with that growth.

As a tiered document, the Initial Study for the Project relies on the 2003 LRDP EIR for: (1) a discussion of general background and setting information for environmental topic areas; (2) overall growth-related issues; (3) issues that were evaluated in sufficient detail in the 2003 LRDP EIR for which there are no significant new information, changes in the project, or changes in circumstances that would require further analysis; and (4) cumulative impacts. The purpose of the Tiered Initial Study is to evaluate the potential environmental impacts of the Project with respect to the existing 2003 LRDP EIR analysis in order to determine what level of additional environmental review, if any, would be appropriate.

The potential impacts of the Project are analyzed in the Tiered Initial Study for the following environmental topic areas: (1) aesthetics, (2) agricultural resources, (3) air quality, (4) biological resources, (5) cultural resources, (6) greenhouse gas emissions, (7) geology, soils, and seismicity, (8) hazards and hazardous materials, (9) hydrology and water quality, (10) land use and planning, (11) mineral resources, (12) noise, (13) population and housing, (14) public services, (15) recreation, (16) transportation, circulation and parking, and (17) utilities and service systems.

Based on the analysis contained in the Tiered Initial Study, it was determined that the proposed Project would result in potentially significant effects on the environment that were not previously

addressed in the 2003 LRDP EIR. For these impacts (noise and transportation), the University has identified mitigation measures to reduce the potential impacts to a less-than-significant level. In addition, the University found that the proposed Project may incrementally contribute to, but would not exceed, significant environmental cumulative impacts previously identified in the 2003 LRDP EIR with regard to the following topic areas: air quality and water quality. Based on this analysis, the University prepared a Mitigated Negative Declaration that reflects these conclusions.

The proposed Mitigated Negative Declaration and Draft Tiered Initial Study were submitted to the State Clearinghouse in the Governor's Office of Planning and Research and circulated for a 30-day public review period beginning on November 4, 2011 and concluding on December 5, 2011. During that time, the document was available for review by various state and local agencies, as well as by interested individuals and organizations. During the 30-day review period, the State Water Resources Control Board, the Yolo-Solano Air Quality Management District, and the State Department of Toxic Substances Control submitted letters indicating standard permit requirements would apply to the project. Compliance with these standard permit requirements is incorporated into the contracting documents and University procedures for the project as a standard practice for campus construction efforts. A copy of the letters and detailed responses to the comments is provided in Appendix B of the Initial Study. The comment letters raise no information about potentially significant environmental effects from the project.