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Office of the President

TO MEMBERS OF THE ON FINANCE AND CAPITAL STRATEGIES COMMITTEE:

ACTION ITEM

For the Meeting of January 25, 2017

APPROVAL OF BUDGET, STANDBY FINANCING, INTERIM FINANCING, AND DESIGN FOLLOWING ACTION PURSUANT TO CALIFORNIA ENVIRONMENTAL QUALITY ACT, ANDERSON SCHOOL OF MANAGEMENT ADDITION, LOS ANGELES CAMPUS

EXECUTIVE SUMMARY

The proposed project would construct a 62,650-gross-square-foot (gsf) addition to the six-building, 305,000-gsf Anderson School of Management (the School) complex originally constructed in 1995 on the Los Angeles campus. The addition would be located on top of an existing parking structure adjacent to the School's main auditorium and paved outdoor event space. The project would also renovate 1,100 gsf in the existing complex to provide a connection to the new addition. Total new and renovated space would be 63,750 gsf.

The proposed addition would accommodate technologically-equipped teaching spaces not available in the existing complex; reorganize the admissions, career, and event functions to improve delivery of services to prospective students and alumni; provide students with needed study and commons space; and better accommodate programs that have grown or did not exist when the complex was constructed more than 20 years ago.

The addition would be designed to advance Anderson's dual mission of education and research by providing teaching, student support, and event spaces that create stronger connections among students, faculty, and alumni; facilitating better career placement opportunities for students; and enhancing alumni engagement with the School. The project would foster life-long connections to the School, enhance Anderson's educational program, and provide facilities appropriate for a top-tier business school.

In May 2015, a $40 million capital gift, as part of a $100 million gift to the School from Marion Anderson, was pledged as seed funding for the new building. Subsequent to the pledge of this lead gift an additional $2.6 million in gifts has been pledged. Additional gifts will be secured to cover the total project cost. Standby and interim financing are being requested to bridge the timing of gift receipts. The project will not utilize external financing; it will be funded entirely from philanthropic gifts or Anderson School reserves if the anticipated gifts are not realized.

At the May 2016 meeting the Regents approved preliminary plans funding of $4.2 million using gift funds. The Regents are being asked to: (1) approve the project budget of $70,835,000 to be funded by gift funds; (2) approve the project scope; (3) approve standby financing ($38,453,000); (4) approve interim financing ($28,235,000); (5) adopt the Initial Study/Negative Declaration and Findings in accordance with the California Environmental Quality Act (CEQA); (6) approve the design; and (7) authorize the President of the University to execute documents related to these actions.

RECOMMENDATION

1. The President of the University recommends that the Finance and Capital Strategies Committee recommend to the Regents that:

   A. The 2016-17 Budget for Capital Improvements and the Capital Improvement Program be amended as follows:

      From: Los Angeles: Anderson School of Management Addition – preliminary plans – $4.2 million to be funded from gift funds.

      To: Los Angeles: Anderson School of Management Addition – preliminary plans, working drawings, construction, and equipment – $70,835,000 to be funded from gift funds.

   B. The Anderson School of Management Addition project (the Project) shall construct an approximately 62,650-gross-square-foot (gsf) addition to the Anderson School of Management complex to accommodate technology-equipped teaching spaces, student support, and event spaces. The Project will also include renovation of approximately 1,100 gsf in the existing complex to provide a connection to the new addition, making the total Project area approximately 63,750 gsf.

   C. The President be authorized to obtain standby financing not to exceed $38,453,000. The President shall require that:

      (1) Interest only, based on the amount drawn, shall be paid on the outstanding balance during the construction period.

      (2) Repayment of any debt shall be from gifts funds. As gifts are received, the campus will reimburse the standby financing in a timely fashion. If gift funds are insufficient and some or all of the debt remains outstanding, then the Anderson School of Management reserves shall be used 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. The President be authorized to obtain interim financing not to exceed $28,235,000. The President shall require that:

(1) Interest only, based on the amount drawn down, shall be paid on the outstanding balance during the construction period.

(2) To the extent additional gifts are received as documented legally binding pledges, the interim financing will be converted to standby financing.

(3) As long as the debt is outstanding, general revenues from the Los Angeles campus shall be maintained in amounts sufficient to pay the debt service and to meet the related requirements of the authorized financing.

(4) The general credit of the Regents shall not be pledged.

2. The President recommends that, following review and consideration of the environmental consequences of the proposed Anderson School of Management Addition 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 Finance and Capital Strategies Committee:

A. Adopt the Final Initial Study/Negative Declaration.

B. Adopt Findings in support of the Project.

C. Approve the design of the Anderson School of Management Addition, Los Angeles campus.

3. The President, in consultation with the General Counsel, be authorized to execute all documents necessary in connection with the above.

BACKGROUND

A new building is needed to provide the Anderson School of Management (the School) with flexible instructional space that cannot be developed within the existing complex; to consolidate admissions and career services functions for full- and part-time Master of Business Administration (MBA) programs; and to provide space for programs that have grown or did not exist when the existing complex was constructed more than 20 years ago.

The School provides education to approximately 2,000 students enrolled in full-time, part-time,

and executive MBA (EMBA) programs, two global MBA programs, a master's degree program in financial engineering (MFE), doctoral programs in seven areas of study, and an undergraduate accounting minor. The School and many of its academic programs and departments are perennially ranked among the best in the world. The School seeks to maintain facilities to support the collaborative innovation that has become the cornerstone of its teaching philosophy and made it one of the leading business schools in the country.

The MFE and five MBA programs at the School recently transitioned to being self-supporting and no State funding is received for those programs. The School has been successful in garnering private support from alumni and others. Marion Anderson, the widow of John E. Anderson, for whom the School is named, recently gave the School $100 million to address critical needs. Of this total, $40 million will provide capital funding for the proposed building, and $60 million will establish an endowment to support student financial aid and fellowships, faculty and research funding, and program innovations.

Project Drivers

Programs at the School have evolved since the complex was originally constructed. The School has expanded from a traditional MBA program for full-time students to one with a growing number of programs for part-time students, including the Fully Employed MBA (FEMBA) program. The School has identified some specific areas for growth, such as the Master in Business Data Analytics (slated to launch in 2017-18, subject to approvals), additional demand for some current programs in traditional and/or hybrid formats (FEMBA, PhD, EMBA and MFE), and planned research centers, such as the Center for Social Impact. The existing facilities lack large, flexible, technologically-equipped teaching and event spaces to support these current and new programs.

The proposed project will relieve space deficiencies in the overall complex related to the growth in students, faculty, and programs over the last decade and accommodate projected growth in the next five years. Following completion of the proposed project, it is anticipated that the Anderson complex will be able to accommodate approximately 175 additional students enrolled in full-time programs, an additional 260 students in part-time or hybrid programs, and 15 new faculty.

A strategic plan, *Anderson 2016: Raising the Student Experience*, has identified improvements necessary to advance the Anderson School's dual mission of high-quality education and research. These include: stronger connections among students, faculty, and alumni; better employment opportunities for students; and enhanced alumni engagement levels with the School. The project is needed to provide facilities appropriate for a top-tier business school, and will support these strategic goals:

- Technology-enabled teaching spaces are needed to support an evolving curriculum with new areas of specialization in addition to the traditional general management skills related to finance and marketing, and to provide greater opportunities to involve alumni with the School.

- Reorganized admissions, career services, and event functions facilities proximate to the Dean to improve outreach to prospective students, facilitate better employment opportunities, and enhance ongoing engagement with alumni. This approach is intended to create "alumni for life" by fostering life-long connections to the School.

- Commons and study space to foster impromptu meetings among students, faculty, administrators, and alumni; mentoring activities and class follow-up discussions; and creative brainstorming sessions.

PROJECT DESCRIPTION

The proposed project would construct a four-story, 62,650-gross-square-foot (gsf) (40,825-assignable-square-foot) addition to the six building 305,000-gsf Anderson School of Management complex. The new building would be located on top of Parking Structure 5 (PS5), adjacent to the School's outdoor event plaza. The project would also renovate 1,100 gsf in the existing complex to provide a connection to the new addition. Total new and renovated space would be 63,750 gsf.

The addition would be constructed on Level 4 of PS5, a 743-space parking facility. Pedestrian access to a lobby on the first level of the addition would be from the existing outdoor event plaza to the south, and to a second level lobby from the top deck of the parking structure to the north, proximate to a drop-off and parking area. The addition would be sited between exterior walkways into the existing Anderson complex at both levels. The interior circulation on the first level of the addition would connect directly to the classroom level in the existing complex. A new mechanical room would be constructed on the first level of the parking structure. The loss of approximately 60 parking spaces to accommodate the proposed addition would be absorbed into the existing campus parking inventory.

The addition would accommodate classrooms, an event space, student life cycle offices, student study space, the Office of the Dean, and faculty offices. Technology-equipped classrooms and a multi-purpose event space would support students' learning and development experience. Centralized offices for admissions and career services would make these essential services more accessible to students and facilitate synergies between initial student recruitment, future employment opportunities, and ongoing engagement as alumni. Open circulation with areas designed for individual and group study would facilitate social interactions throughout the building.

The first level of the addition would accommodate a sloped-floor lecture hall and two flat floor discussion rooms; open and enclosed study spaces for individuals and groups; student affairs functions; faculty offices; and an entrance lobby from the existing event plaza. The second level would accommodate a sloped floor classroom, student study space, admissions office, faculty offices, Dean's suite; and an entrance lobby from the top level of PS5. The third level would accommodate the career center and event space, and a covered-unenclosed terrace proximate to the event space. The fourth level would house admissions and career advising offices for part-

time MBA programs.
The additional space would address current space shortages and future growth. Relocation of existing functions into the new building would result in approximately 15,000 asf of vacant office space located throughout the complex. This space would be reassigned to functions within the School to alleviate existing space deficiencies and accommodate new program initiatives over time.

Project space components are described in greater detail below:

Space Type	ASF	GSF
Teaching Space	9,675	
Study Space	4,575	
Student Life Cycle Functions	17,785	
Administrative/Student Support Space	2,360	
Faculty Offices	1,210	
Event Space	5,220	
Subtotal	**40,825**	**60,750**
Covered-Unenclosed Terrace (50%)		1,900
Total New Addition	**40,825**	**62,650**
Connection to Existing Building		1,100
Total Renovated Area		**1,100**
Total New and Renovated Space	**40,825**	**63,750**

Teaching Space (approximately 9,675 asf): Four technologically-equipped classrooms including a 200-person tiered lecture hall, a 90-person tiered classroom, and two flat floor discussion rooms accommodating up to 90 people each, would provide space for large lectures and presentations. Classrooms in the current facilities do not support advanced audio and visual technologies that are now commonly used in teaching. Similarly, the proposed classroom layouts and sizes will fill a demand that cannot be met in the current facilities.

Study Space (approximately 4,575 asf): Study space for small groups and individuals would include: rooms accommodating six to eight people for break-out sessions and collaborative classwork; rooms accommodating one or two people for teleconferences; quiet study areas for individuals; and open seating areas distributed throughout the building.

Student Life Cycle Functions (approximately 17,785 asf): The student "life cycle" is focused on engaging students with the School from the time they are applicants, through finding employment, to becoming alumni and supporters. The admissions and career services functions for both the full- and part-time MBA programs would be consolidated into an office suite for each function. Each suite would include private offices, open work areas, conference rooms, interview rooms, and related support space.

Administrative/Student Support Space (approximately 2,360 asf): The Dean's Office would be relocated to the new addition to support the student life cycle functions and to improve student access.

Faculty Offices (approximately 1,210 asf): Open office space would be provided for guest lecturers and visiting faculty to prepare for classes and meet with students.

Event Space (approximately 5,220 asf): A large multipurpose space would be provided proximate to the student life cycle offices to host recruiting, career, alumni, and campus events. The space would include a prep kitchen and storage for furniture and equipment. An additional 1,900 gsf of covered-unenclosed space would be provided on a new terrace adjacent to the interior event space.

The scope of work would include enlargement of concrete footings and strengthening of the columns in the parking structure directly below the footprint of the addition; connections to campus utilities; provision of building systems; connection of the new building to the existing complex; provision of casework and interior finishes; installation of conduit for audiovisual, security, and communications systems; site improvements that include enhancements to the event plaza; and Group 2 and 3 furniture and audiovisual equipment.

Related Scope

Related scope, to be performed under a separate Chancellor-approved project, would include structural upgrades to the entire PS5 (6-level, 339,631-gsf) structure to improve the seismic performance rating from Level IV (formerly "Fair") to Level III (formerly "Good"); and water intrusion repairs to the parking structure.

Schedule

Approval of this action will allow the campus to commence the working drawing phase. Construction is estimated to begin in November 2017, with completion anticipated in December 2019.

Status of Fundraising

The campus received a signed pledge in May 2015 for a lead gift totaling $40 million and subsequently received pledges for an additional $2.6 million in gifts. These gifts will be received over time, and began in 2016. Since the gift funds are expected to be collected over time, approval of standby financing is requested in order to satisfy the Regental policy to have funds on hand at the time of bid award, as well as to provide financing for project expenditures prior to gift receipt. Standby financing ($38,453,000) is to be back-stopped by the Anderson School of Management reserves.

As of January 2017, the status of gifts for this project is as follows:

In Hand	$ 4.147 million
Pledged (committed)	$38.453 million
To be raised	$28.235 million

Total	$70.835 million

Remaining gifts to be raised ($28,235,000) are proposed to be back-stopped by Anderson School of Management reserves.

Financial Feasibility

The total project cost of $70,835,000, including $635,000 of capitalized interest incurred during construction, would be funded with gifts. To bridge the timing between receipt of gifts and pledges the project will include standby financing ($38,453,000), and interim financing ($28,235,000). The interim financing period will be no longer than seven years, and the project will not utilize external financing; it will be funded entirely from philanthropic gifts or back-stopped by Anderson School reserves if the anticipated gifts are not realized in this timeframe. The Summary of Financial Feasibility is provided in the attachments.

DESIGN ELEMENTS

Proposed Site

The existing 305,000-gsf Anderson complex, comprising a cluster of six buildings, is built on a sloped site on the north end of campus. It is located to the east of Stone Canyon Creek (a campus landscape preserve), south of the UCLA Lab School, west of Parking Structure 5, and north of the Fowler Museum, on a site immediately adjacent to the historic core campus.

The original complex is structurally integrated with PS5, a multi-story parking structure of varied height to fit the topography. The top floor of PS5 currently includes the school's main lecture hall and an outdoor event plaza, in addition to parking spaces. This area also accommodates high-traffic pedestrian circulation paths linking the levels of the lower to the upper campus via stairs and plazas throughout the complex. The proposed project would be constructed on the central portion of the top level of PS5, immediately adjacent to Anderson's auditorium and event plaza that currently occupy space on top of this structure.

Building Design

The proposed addition is intended to be an integral extension of the original building design, and reflect the character and quality of the Anderson School. The massing is similar to that of the six original buildings and is respectful of the context of its location proximate to the historic core campus. The south façade provides an entrance related to the event plaza on the south portion of the top of the parking structure. The north façade provides a new external entrance accessible from convenient guest parking at the north end of the parking structure. Classrooms, event space, and circulation wrap around a multi-level internal atrium to give the building a clear central organization. The entrances tie directly to the atrium as does an internal connection to the main classroom floor of the existing Anderson School.

Materials

The proposed design utilizes materials that match the original buildings in the Anderson complex. The exterior walls are a brick blend and buff-colored cast stone carried through the design in a consistent manner. Horizontal banding is carefully aligned to reinforce the linkage. Window areas will be aluminum frames with high-efficiency glazing and sunshades. This approach allows greater transparency, providing light and views in and out of the key spaces. The structural frame of the building will be steel with concrete-filled metal decking constructed on top of the existing concrete parking structure.

Seismic Safety

This project will comply with the University of California Seismic Safety Policy including independent structural engineering peer review.

Sustainable Practices

The Anderson School of Management Addition project would comply with the University of California Sustainable Practices Policy. Project sustainability targets and goals include Leadership in Energy and Environmental Design (LEED™) minimum building certification level of Silver, with a target for Gold or Platinum. The project will participate in the Southern California Edison Savings by Design energy conservation program and will outperform the California Energy Code by 20 percent as required by UC Policy.

The project will incorporate mandatory sustainable features outlined in the California Green Building Standards Code. Sustainable features include:

- Natural ventilation for energy conservation
- Daylighting optimization for lighting reductions
- Smart controllers, sensors, and design schemes for lighting energy reductions
- Low-energy LED lighting design
- High-performance glazing
- High-performance envelope thermal insulation
- Light-reflecting materials/finishes to reduce heat island effect
- Energy-efficient building systems
- Stormwater management design
- High-efficiency HVAC equipment
- Ultra-Low-Flow plumbing fixtures for domestic water reductions
- Solid waste disposal reduction by diversion of 75 percent of construction waste from landfills
- Volatile organic compound (VOC) emissions reduction by use of low-VOC products
- Drought-tolerant landscape materials
- Water reduction through smart reclaimed water irrigation controls and low-flow emitters
- Enhanced building commissioning for optimal energy performance

- Bicycle parking

Key to Acronyms

ASF	Assignable Square Feet
CEQA	California Environmental Quality Act
EMBA	Executive MBA
FEMBA	Fully Employed Master of Business Administration
GSF	Gross Square Feet
LED	Light Emitting Diode
MFE	Master of Financial Engineering
HVAC	Heating Ventilation & Air Conditioning
MBA	Master of Business Administration
PS5	Parking Structure 5
VOC	Volatile Organic Compounds

ATTACHMENTS:
Attachment 1: Project Budget
Attachment 2: Comparable Project Information
Attachment 3: Summary of Financial Feasibility
Attachment 4: Alternatives Considered
Attachment 5: Project Graphics
Attachment 6: Environmental Impact Summary
Attachment 7: Final Initial Study/Negative Declaration
Attachment 8: 2008 Northwest Housing Infill Project & Long Range Development Plan Amendment Final Environmental Impact Report
Attachment 9: Geffen Academy at UCLA Project Subsequent Final EIR
Attachment 10: CEQA Findings

ATTACHMENT 1

PROJECT BUDGET
CCCI 7003

Category	Amount	% of Total
Site Clearance	131,000	0.2%
Building	52,408,000	76.7%
Exterior Utilities	1,467,000	2.1%
Site Development	1,278,000	1.9%
A/E Fees	3,400,000	5.0%
Campus Administration	1,105,000	1.6%
Surveys, Tests, Plans	1,020,000	1.5%
Special Items[1]	1,641,000	2.4%
Interest During Construction	635,000	0.9%
Contingency	5,250,000	7.7%
Total	68,335,000	100.0%
Group 2 & 3 Equipment	2,500,000	
Project Cost	**$70,835,000**	

Project Statistics

Gross Square Feet (GSF)	63,750
Assignable Square Feet (ASF)	40,825
Efficiency Ratio ASF/GSF	64%
Building Cost/GSF	$822
Project Cost/GSF[2]	$1,072

Cost Drivers

The cost of constructing the proposed building addition on the fourth floor of an existing parking structure is influenced by the following:

- Need to keep the 743-space parking structure operational during construction.
- Limited area for staging, loading and unloading of construction materials.
- Need to maintain fire access to other buildings on surrounding roadways during construction.
- Extension of site utilities from the ground to the fourth level of the parking structure to serve the new addition.
- Design of the exterior skin (full brick with cast stone banding) to match existing buildings in the complex.
- Use of high-end glazing and sunshade systems to communicate the transparency and collaborative nature of the building program.
- Conformance to new Energy Code requirements, effective January 1, 2017, in terms of thermal performance for insulation and glazing, and efficiency of electrical systems.
- Design of interior materials and finishes to match the quality of the existing school complex.
- Use of two-story spaces within the addition for events and student study/interaction areas.
- Landscaped areas on the fourth level of the parking structure to be built as water-proofed planters.

[1] Special Items include pre-design study, environmental documentation, peer reviews, specialty consultants, agency fees, and parking impact costs during construction.

[2] Project cost excludes Group 2 & 3 equipment.

ATTACHMENT 2

COMPARABLE PROJECT INFORMATION
CCCI 7003

Campus	Project	CIB Date	GSF	Adjusted Building Cost/GSF	Adjusted Project Cost/GSF
San Diego	Management School Facility Phase 1	Jan-06	83,333	$618	$798
San Diego	Management School Facility Phase 2	Aug-06	79,350	$589	$772
Los Angeles	Teaching and Learning Center for Health Sciences	Jan-13	120,000	$710	$947
Davis	Graduate Studies Building	Jan-11	55,210	$607	$791
Los Angeles	***Anderson School of Management Addition***	***Nov-16***	***63,750***	***$822***	***$1,072***

Notes on Comparable Projects

All of the previous projects cited above were designed to earlier versions of Title 24, the California Energy Code. The UC Davis and UC San Diego projects were designed on sites with enough room for construction staging. Programmatically, the UC Davis project is an office building, without large spaces designed for teaching. The program for the proposed project provides a more concentrated mix of large classrooms, student interaction areas, student life cycle offices, and event space; the entire program is organized around an open central core to maximize visibility and access to students. The UC San Diego Management School Facility Phase 1 and 2 projects have some classrooms, but have no two-story spaces. Additionally, the exterior skin and interior finishes of those projects are simpler than the proposed project.

ATTACHMENT 3

SUMMARY OF FINANCIAL FEASIBILITY

LOS ANGELES CAMPUS	
Project Name	**Anderson School of Management Addition**
Project ID	**942513**
Total Estimated Project Cost	$70,835,000
Anticipated Interest During Construction (included in total estimated project cost)	$635,000*

* A portion of the STIP earnings on the unspent gifts will offset the IDC cost

PROPOSED SOURCES OF FUNDING[1]	
Gift Funds in Hand	4,147,000
Gifts Pledged - Standby Financing	38,453,000
Gifts to be Raised - Interim Financing	28,235,000
Total	**$70,835,000**

SECTION I. Standby Financing

Approval for standby and/or interim financing is sought in order to bridge the timing difference between project expenditures and receipt of gift or other specified funds. Standby financing is requested for gifts (or other funds as specified below) pledged, but not yet in hand.

Information below is for standby financing related to gifts. The campus will provide periodic status reports on the gift campaign and collection.

CAMPAIGN SUMMARY	
Cash on Hand	$4,147,000
Pledged Gifts	$38,453,000
Secondary Repayment Source for Pledged Gifts	Anderson School of Management Reserves
Additional Gifts To be Raised	$28,235,000
Total Approved Gift Campaign	$70,835,000
Term of Standby Request (# of years)	7 years

* Percentage of pledges to the campus which have not been made on schedule over the last ten years.

SECTION II. Interim Financing

Interim financing is requested for gifts (or other specified funds) that have yet to be raised (not pledged and not in hand). Interim financing must demonstrate a back-up repayment source and be included in the campus' Debt Affordability Model assuming either a conversion of interim financing to long-term external financing or as a seven-year interim financing with level amortization. The project will not utilize external financing; it will be funded entirely from philanthropic gifts or back-stopped by Anderson School reserves if the anticipated gifts are not realized. To the extent additional gifts are received as cash, the amount of interim financing will be reduced. To the extent additional gifts are received as documented pledges, the amount of interim financing will be converted to standby financing.

[1] Fund sources for external financing shall adhere to University policy on repayment of capital projects.

INTERIM FINANCING ASSUMPTIONS	
Interim Financing Amount	$28,235,000
Anticipated Repayment Source	General Revenues of the Los Angeles campus
Anticipated Fund Source	Anderson School of Management Reserves
Financial Feasibility Rate	4%
First Year of Repayment (e.g. FY 20XX)	2021
Term (e.g. 30 years; indicate if any years interest only)	7 Years
Final Maturity (e.g. FY 20xx)	2027
Estimated Average Annual Debt Service	$4,704,000

Below are results of the financial feasibility analysis for the proposed project using the campus' Debt Affordability Model. The model includes projections of the campus' operations and planned financings. A new Debt Affordability Model with revised metrics was implemented August 1, 2015.

	CAMPUS FINANCING BENCHMARKS		
Measure	**10 Year Projections**	**Approval Threshold**	**Requirement**
Modified Cash Flow Margin[2]	1.7% (min), 2025 (yr)	≥ 0.0%	Must Meet
Debt Service to Operations[2]	4.2% (max), 2023 (yr)	≤ 6.0%	Must Meet 1 of 2
Expendable Resources to Debt[2]	NA	≥ 1.00x	

[2] Modified Cash Flow Margin, Debt Service to Operations, and Expendable Resources to Debt are campus metrics.

ATTACHMENT 4

ALTERNATIVES CONSIDERED

Four project alternatives were considered: 1) a no project alternative; 2) an addition on the north lawn; 3) an addition near the south entry stair; and 4) an addition on top of Parking Structure 5.

Option 1 - No Project: This alternative would be to not construct an addition to the existing Anderson complex. While ongoing interior improvements and upgrades would continue over time, the School would not benefit from the addition of new teaching, event, offices and related support space to support the needs of its current academic program.

Option 2 - Addition on North Lawn: This alternative would be to construct an approximately 35,000-gsf, four-story addition in the northwest corner of the Anderson campus. The location lacks sufficient space to accommodate the additional program, does not provide a central location to consolidate student functions, and blocks windows in the adjacent school library. In addition, the height, bulk, and proximity would impinge on the natural environment of the adjacent Stone Canyon Creek and UCLA Lab School.

Option 3 - Addition Near South Entry Stair: This alternative would be to construct an approximately 54,000-gsf, five-story addition in the southeast corner of the Anderson campus. The location lacks sufficient space to fully accommodate the program, does not provide a floor plate that could accommodate large teaching spaces, does not provide a location for a central hub of student functions, and would have significant site costs related to the relocation of an emergency generator, loading dock, and other campus infrastructure that would need to be relocated.

Option 4 - Addition Above Parking Structure 5: The recommended alternative would support the construction of an approximately 63,000-gsf, four-story addition on a portion of the top level of the existing adjacent parking structure. The addition would directly adjoin the principal teaching and faculty office levels in the existing facility, provide a central location for consolidation of student functions, and connect with campus pedestrian routes to and through the complex. In addition, there are potential programmatic synergies with the School’s main auditorium and a paved event plaza located on the top level of the parking structure and already used by the Anderson School.

ATTACHMENT 5

PROJECT GRAPHICS PACKAGE

ATTACHMENT 6

ENVIRONMENTAL IMPACT SUMMARY

Environmental Review Process

In accordance with the State of California Environmental Quality Act (CEQA) Guidelines and University of California Procedures for Implementation of CEQA, an Initial Study for the UCLA Anderson Addition Project has been prepared. The Initial Study/Negative Declaration (IS/ND)[1] is tiered from the UCLA 2008 Northwest Housing Infill Project and Long Range Development Plan Amendment Final Environmental Impact Report (SCH#2008051121)[2] as supplemented and updated by the Geffen Academy at UCLA Subsequent Final EIR (SCH#2016021050)[3].

A Notice of Intent to Adopt a Negative Declaration based on a Draft IS/ND was submitted on October 25, 2016 to the Governor's Office of Planning and Research, State Clearinghouse as well as approximately 36 interested agencies, organizations, and individuals for a 30-day review period that concluded on November 23, 2016. The IS/ND was made available on the UCLA Capital Programs website and a hardcopy was made available at the Charles E. Young Research Library.

Environmental Impacts

The IS/ND found that the Anderson Addition Project would have less than or no significant impact on the environment in regard to the following environmental topic areas: (1) aesthetics, (2) agricultural resources, (3) air quality, (4) biological resources, (5) cultural resources, (6) geology and soils, (7) greenhouse gas (GHG) emissions, (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/traffic, and (17) utilities and services systems.

Public Comments

During the comment period, two comment letters were received, one from the Office of Planning and Research State Clearinghouse confirming that UCLA complied with CEQA review requirements, and the other from the Department of Transportation, District 7.

The comment letters do not raise any new issues that are not adequately analyzed in the Initial Study pursuant to CEQA. Responses to both are included in the Final Anderson Addition IS/ND. Therefore, no changes or amendments to the Initial Study were warranted because of public comments.

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[1] See Attachment 7.
[2] See Attachment 8.
[3] See Attachment 9.

Findings[4]

Based on the impact assessment in the attached IS/ND, it has been determined that the proposed project, with incorporation of applicable LRDP-level Programs and Procedures and Mitigation Measures, will not result in any new significant direct, indirect, or cumulative environmental impacts that are not examined in the UCLA LRDP Final EIR as supplemented and updated by the Geffen Academy at UCLA Subsequent Final EIR.

[4] See Attachment 10.

ATTACHMENT 7

FINAL INITIAL STUDY/NEGATIVE DECLARATION

UCLA Anderson School of Management Addition Final Initial Study/Negative Declaration:
http://www.capitalprograms.ucla.edu/PDF/AndersonFinalInitialStudy.pdf

ATTACHMENT 8

2008 NORTHWEST HOUSING INFILL PROJECT & LONG RANGE DEVELOPMENT PLAN AMENDMENT FINAL ENVIRONMENTAL IMPACT REPORT

2008 Northwest Housing Infill Project (NHIP) & Long Range Development Plan (LRDP) Draft EIR Volume 1:
http://www.capitalprograms.ucla.edu/content/PDF/2008_NHIP_LRDP_DraftEIR_Volume_1.pdf

2008 NHIP & LRDP Draft EIR – Technical Appendices:
http://www.capitalprograms.ucla.edu/content/PDF/2008_NHIP_LRDP_DraftEIR_TechnicalAppendices.pdf

2008 NHIP & LRDP Final EIR Volume 2:
http://www.capitalprograms.ucla.edu/content/PDF/2008_NHIP_LRDP_FinalEIR_Volume_2.pdf

ATTACHMENT 9

GEFFEN ACADEMY AT UCLA PROJECT SUBSEQUENT FINAL EIR

2016 Geffen Academy Draft Subsequent EIR:
http://www.capitalprograms.ucla.edu/content/PDF/2016_Geffen_Academy_Draft_Subsequent_EIR.pdf

2016 Geffen Academy Final Subsequent EIR:
http://www.capitalprograms.ucla.edu/content/PDF/2016_Geffen_Academy_Final_Subsequent_EIR.pdf

ATTACHMENT 10

CALIFORNIA ENVIRONMENTAL QUALITY ACT FINDINGS IN CONNECTION WITH THE APPROVAL OF THE DESIGN OF THE ANDERSON SCHOOL OF MANAGEMENT ADDITION PROJECT UNIVERSITY OF CALIFORNIA, LOS ANGELES CAMPUS

I. ADOPTION OF THE NEGATIVE DECLARATION

Pursuant to Title 14, California Code of Regulations, Section 15074(b), the Regents hereby find that the Negative Declaration and the Initial Study prepared for the proposed Anderson School of Management Addition Project (the "Project") have been completed in compliance with the California Environmental Quality Act ("CEQA") (Public Resources Code section 21000 *et seq.*), the CEQA Guidelines (Code of Regulations, title 14, section 15000 *et seq.*), and the University of California's policies and procedures for the implementation of CEQA. The Regents further find that they have reviewed and considered the whole record, including the information contained in the Draft Initial Study, all comments received on the Draft Initial Study, and the responses to comments, which are included in the Final Initial Study. The Regents further find that the information contained in the Draft and Final Initial Study reflects their independent judgment and analysis. On the basis of the Draft and Final Initial Study, the Regents have determined that there is no substantial evidence that the Project will have a significant effect on the environment and that a Negative Declaration is therefore the appropriate CEQA documentation for the Project. The Regents further determine, as set forth in Section III, below, to adopt the Negative Declaration. Collectively, the Draft and Final Initial Study, and the administrative record in support thereof, are referred to herein as the Initial Study.

II. FINDINGS

The Regents certify that these Findings are based on a full appraisal of all information in the record, including all comments received up to the date of adoption of these Findings, concerning the environmental impacts identified and analyzed in the Negative Declaration (ND) that are supported by substantial evidence in the record. The following Findings are hereby adopted by the Regents in conjunction with the approval of the Project, as set forth in Section III, below.

A. Background and Project Description

The proposed Anderson School of Management Addition Project involves the construction of a 4-level, approximately 62,000 gsf addition to the existing six building, approximately 305,000 gsf Anderson School of Management complex. The proposed building addition would be constructed on top of Parking Structure 5, which would remain operational. The new building would accommodate technologically-equipped teaching spaces; reorganize admissions, career, and event functions; provide student study and commons space; and better accommodate

programs that have grown or did not exist when the complex was constructed more than twenty years ago. Additionally, a separate project proposes the potential construction of a new stair and elevator to provide access from the ground-level pedestrian path to Briskin Plaza, which are analyzed herein. Construction is anticipated to begin in November 2017 with completion in December 2019; for duration of approximately 26 months.

B. Environmental Review Process

A Draft Tiered Initial Study (State Clearinghouse No. 2016101067) was prepared for the Project in accordance with CEQA, the State CEQA Guidelines, and the University of California policies and procedures for the implementation of CEQA. The Initial Study analyzed the potential impacts of the Project with regard to the following environmental topic areas: (1) aesthetics, (2) agricultural resources, (3) air quality, (4) biological resources, (5) cultural resources, (6) geology and soils, (7) GHG emissions, (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/traffic, and (17) utilities and services systems.

Pursuant to Public Resources Code sections 21080.09, 21093, and 21094, and CEQA Guidelines sections 15152 and 15385, the Initial Study is tiered from the March 2009 LRDP Amendment Final EIR ("2009 Final EIR" or "LRDP EIR," State Clearinghouse No. 2008051121) certified by the University of California Board of Regents ("the Regents"). The 2009 Final EIR was subsequently updated by the Geffen Academy at UCLA Subsequent EIR (State Clearinghouse No. 2016021050). The analysis in the Initial Study incorporates all relevant LRDP EIR Programs, Practices and Procedures (PPs) and Mitigation Measures (MMs). Based on the Project-specific analysis presented in the Initial Study, it was determined that for each topical issue the Project would have no impact or a less than significant impact with the incorporation of all relevant MMs and continuing adherence to adopted PPs identified in the LRDP EIR; thus, the Project would not result in any potentially significant impacts.

On October 25, 2016, the Draft Initial Study was submitted to the State Clearinghouse in the Governor's Office of Planning and Research (OPR) and was released for public review establishing a 30-day review period concluding November 23, 2016. The Initial Study was provided to approximately 36 interested agencies and individuals and was also made available on the UCLA Capital Programs website and at an on-campus library. Apart from an OPR letter documenting the University's compliance with CEQA, UCLA received one agency comment letter during the public review period and included written responses thereto in the Final Initial Study. As reflected in the Final Initial Study, the response to the comments did not add new information or change any of the impact conclusions presented in the Draft Initial Study. Thus, based on a review of all information in the record—including the 2009 Final EIR, Draft and Final Initial Studies, and public comments and corresponding responses—the University determined that the preparation of a Negative Declaration was appropriate.

C. Environmental Summary

The following sections summarize the environmental evaluation provided in the Initial Study for the proposed Project. The Regents find that the Project impacts were adequately analyzed and addressed in the March 2009 LRDP Amendment Final EIR, and will have no significant impacts, or no impacts as described below.

1. Issues for which the Project would have a Less Than Significant Impact or No Impact

a. Aesthetics

Based on the analysis presented in the Draft Initial Study (see page 17), the proposed Project, which includes LRDP EIR PP 4.1-1 (a), PP 4.1-2 (a,b,c) and MM 4.1-3 (a,b), would have a less than significant impact or no impact for the following aesthetic issues: effect on a scenic vista; damage scenic resources; degrade the existing visual character or quality of the site and its surroundings; or create a new source of substantial light or glare which would adversely affect day or nighttime views in the area.

b. Agricultural Resources

Based on the analysis presented in the Draft Initial Study (see page 25), there are no relevant elements related to agricultural resources. In addition, the Project site is not designated as farmland by either the California Department of Conservation or the U.S. Department of Agriculture. Therefore, the project would have no impact to agricultural resources.

c. Air Quality

Based on the analysis presented in the Draft Initial Study (see page 26), the proposed Project, which includes LRDP EIR PP 4.2-2 (a,b,c,d) and MM 4.2-2 (a,b,c), would have a less than significant impact for the following air quality issues: conflict with or obstruct implementation of the applicable air quality plan; violate air quality standards; result in cumulatively considerable net increase of any criteria pollutant; expose sensitive receptors to substantial pollutant concentrations; or create objectionable odors affecting a substantial number of people.

d. Biological Resources

Based on the analysis presented in the Draft Initial Study (see page 39), the proposed Project, which includes LRDP EIR PP 4.3-1(a,b,c,d,e) and MM 4.3-1 (a,b,c), would have a less than significant or no impact for the following biological resource issues: direct or indirect impacts on candidate, sensitive, or special status species; substantial adverse effect on riparian habitat, sensitive natural community, or wetlands; conflict with any policies protecting biological resources; interfere with movement of native or migratory species; or conflict with an adopted habitat conservation plan.

e. Cultural Resources

Based on the analysis presented in the Draft Initial Study (see page 45), the proposed Project, which includes LRDP EIR PP 4.4-5 and MM 4.4-2 (a,c), would have a less than significant or no impact for the following cultural resources issues: adverse change in the significance of an historical or archaeological resource pursuant to CEQA Guidelines section 15064.5; destroy a unique paleontological resource or unique geologic feature; or disturb human remains.

f. Geology and Soils

Based on the analysis presented in the Draft Initial Study (see page 51), which includes LRDP EIR PP 4.5-1 (c,d), the Project would have a less than significant impact or no impact for the following geologic issues: rupture of a known earthquake fault; seismic-related ground failure including shaking, liquefaction, and landslides; location on a unstable geologic unit or soil; location on expansive soil; soil erosion or loss of topsoil; or soils incapable of supporting septic tanks.

g. Greenhouse Gas Emissions

Based on the analysis presented in the Draft Initial Study (see page 56), the proposed Project, which includes LRDP EIR PP 4.15-1, would have a less than significant impact for the following greenhouse gas issues: generation of significant direct or indirect greenhouse gas emissions or conflict with applicable plans or regulations.

h. Hazards and Hazardous Materials

Based on the analysis presented in the Draft Initial Study (see page 65), the proposed Project, which includes PP 4.6-1 and PP 4.6-4 would have a less than significant impact or no impact for the following hazards and hazardous materials issues: create a significant hazard through the routine transport, use or disposal of hazardous materials; create a significant hazard through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment; hazardous conditions within one-quarter mile of an existing or proposed school; located on a site which is included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5 creating a significant hazard; hazard from a public or private air strip; impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan; or wildland fires.

i. Hydrology and Water Quality

Based on the analysis presented in the Draft Initial Study (see page 72), the proposed Project, which includes LRDP PP 4.7-1, would have a less than significant or no impact for the following hydrology and water quality issues: violate or degrade any water quality standards or waste discharge requirements; deplete groundwater supplies; alter drainage patterns (resulting in erosion, siltation, flooding); exceed the capacity of storm drainage system or provide additional sources of polluted runoff; place structures in a 100-year flood hazard area; failure of dam or levee; or inundation by seiche, tsunami, or mudflow.

j. Land Use and Planning

Based on the analysis presented in the Draft Initial Study (see page 78), the proposed Project, which includes LRDP PP 4.8-1 (c,d,e) would have a less than significant impact or no impact for the following land use and planning issues: physically dividing an established community; conflict with any applicable land use plan, policy or regulation of an agency with jurisdiction over the project; conflict with applicable habitat conservation/community plans; or any other land use impacts.

k. Mineral Resources

Based on the analysis presented in the Draft Initial Study (see page 90), the proposed Project would result in no impact to mineral resources.

l. Noise

Based on the analysis presented in the Draft Initial Study (see page 91), the proposed Project, which includes LRDP PP 4.9-6 (a), PP 4.9-7 (a,b,c,d), PP 4.9-8, and MM 4.9-2, would have a less than significant impact or no impact for the following noise issues: exposure of person to noise levels in excess of applicable standards or ordinances; exposure of persons to excessive groundborne vibration or groundborne noise levels; create a substantial permanent increase in ambient noise levels; create a substantial temporary or periodic increase in ambient noise levels; be located in an airport land use plan area; or locate the project within the vicinity of a private airstrip.

m. Population and Housing

Based on the analysis presented in the Draft Initial Study (see page 101), the proposed Project would have no impact for the following population and housing issues: induce substantial population growth in an area, either directly or indirectly; or displace substantial numbers of existing housing or people, necessitating the construction of replacement housing elsewhere.

n. Public Services

Based on the analysis presented in the Draft Initial Study (see page 102), the proposed Project, which includes LRDP PP 4.11-1 and PP 4.11-2(a), would have a less than significant impact related to fire protection, police protection, schools, parks, or other public facilities/services.

o. Recreation

Based on the analysis presented in the Draft Initial Study (see page 108), the proposed Project, which includes LRDP PP 4.12-1 (a,b), would have a less than significant impact or no impact from potential increased use, construction, or expansion of recreational facilities.

p. Transportation/Traffic

Based on the analysis presented in the Draft Initial Study (see page 111), the proposed Project, which includes LRDP PP 4.13-1 (a,b,d), PP 4.13-2, PP 4.13-5, PP 4.13-6, PP 4.13-8, and MM 4-13-11, would have a less than significant impact or no impact for the following transportation/traffic issues: conflict with an applicable transportation plan, ordinance or policy; conflict with an applicable congestion management program; result in a change in air traffic patterns; hazards due to a design feature; emergency access; or conflict with adopted policies, plans or programs supporting alternative transportation.

q. Utilities and Service Systems

Based on the analysis presented in the Draft Initial Study (see page 119), the proposed Project, which includes LRDP PP 4.14-2 (a,b,c,d,g), PP 4.14-3, 4.14-5, and PP 4.14-9, would have a less than significant impact or no impact for the following utilities and service systems issues: exceedance of wastewater treatment requirements of the applicable Regional Water Quality Control Board; construction of new, or expansion of, existing water or wastewater treatment facilities; inadequate wastewater treatment capacity; construction of new stormwater drainage facilities; sufficient water supplies from existing entitlements; sufficient landfill capacity; compliance with solid waste regulations; and other utility service systems.

r. Mandatory Findings of Significance and Cumulative Impacts

Based on the analysis presented in the Draft Initial Study (see page 129), the proposed Project, which incorporates a variety of mitigation measures and practices and procedures from the 2009 LRDP Amendment Final EIR; would have no potential to degrade the quality of the environment; substantially reduce the habitat of a fish or wildlife species; cause a fish or wildlife population to drop below self-sustaining levels; threaten to eliminate a plant or animal community; substantially reduce the number or restrict the range of a rare or endangered plant or animal or eliminate important examples of the major periods of California history or prehistory. The Project would contribute only incrementally to cumulatively considerable impacts identified in the 2009 LRDP Amendment Final EIR and would not have any cumulatively considerable impacts beyond those already analyzed and mitigated in the 2009 LRDP Amendment Final EIR. Additionally, the project would not have environmental effects that would cause substantial adverse effects on human beings, either directly or indirectly.

D. Additional Findings

1. These Findings incorporate by reference in their entirety the text of the Negative Declaration, the Draft and Final Initial Study prepared for the Project; the 2009 LRDP Amendment; the 2009 LRDP Amendment Final EIR; the 2009 LRDP Amendment Final EIR Mitigation Monitoring Program; and Findings adopted by the Regents in connection with approval of the 2009 LRDP Amendment, the 2009 LRDP Amendment Final EIR, and Geffen Academy at UCLA SEIR (including the MMRP and Findings). Without limitation, this incorporation is intended to elaborate on the scope and nature of the Project, related LRDP PPs and MMs, and the basis for determining the significance of such impacts.

2. All of the environmental effects of the Project have been adequately addressed in prior environmental documentation and: (1) have been mitigated or avoided, or (2) have been examined at a sufficient level of detail in the prior environmental documentation and would not result in new or more significant impacts than those addressed and disclosed in the March 2009 LRDP Amendment Final EIR.

3. CEQA Guidelines section 15074 requires the Lead Agency approving a Project to adopt a mitigation monitoring and reporting program for changes to the Project that it adopts or makes a condition of Project approval in order to ensure compliance during Project implementation. The proposed Project incorporates the continued implementation of PPs and MMs contained in the 2009 LRDP Amendment Final EIR Mitigation Monitoring and Reporting Program that were determined applicable to the Project as described above. In this regard, all relevant 2009 LRDP Amendment Final EIR PPs and MMs identified in the Negative Declaration and included as part of the Anderson School of Management Addition Project will be monitored pursuant to the 2009 LRDP Amendment Final EIR Mitigation Monitoring and Reporting Program previously adopted by the Regents.

4. Various documents and other materials constitute the record of proceedings upon which the Regents base their findings and decisions contained herein. Most documents related to this Project are located at UCLA Capital Programs, located at 1060 Veteran Avenue, Los Angeles, CA 90095. The record of proceedings for the approval of the 2009 LRDP Amendment Final EIR and the Geffen Academy at UCLA SEIR are also located at Capital Programs.

III. SUMMARY OF PROPOSED ACTIONS

Based on the foregoing and having considered all of the information in the record, the Regents, intend to take the following actions:

- Adopt the Final Initial Study/Negative Declaration for the Project as described in Section I, above;
- Require all Project elements, including applicable LRDP PPs and MMs identified in the Initial Study to be implemented;
- Re-adopt the Statement of Overriding Considerations previously adopted by the Regents for March 2009 LRDP Amendment Final EIR, of which this project is a part;
- Adopt the Findings in their entirety as set forth in Section II, above; and
- Approve the design of the Anderson School of Management Addition Project for the UCLA Campus**.**