

## Office of the President

### TO MEMBERS OF THE FINANCE AND CAPITAL STRATEGIES COMMITTEE:

#### ACTION ITEM – CONSENT

*For the Meeting of November 16, 2016*

### **APPROVAL OF THE NON-STATE BUDGET, CENTER FOR THE HEALTH SCIENCES – NEUROPSYCHIATRIC INSTITUTE SEISMIC CORRECTION, LOS ANGELES CAMPUS**

#### **EXECUTIVE SUMMARY**

The University of California, Los Angeles proposes to provide seismic corrections to the Neuropsychiatric Institute (NPI) building in the Center for the Health Sciences (CHS), which has a Level V seismic performance rating (formerly “Poor”).

CHS-NPI’s current deficiencies include lack of capacity in the concrete shear walls, a strong-beam weak-column condition in the exterior frames, and inadequate load paths. The proposed structural upgrades would also trigger mandatory Code corrections that would include disabled access upgrades and fire/life safety improvements. Upon completion of the work, the seismic rating would be upgraded to Level III (formerly “Good”).

At its September 2016 meeting, the Finance and Capital Strategies Committee considered a discussion item on the *2017-18 Budget for State Capital Improvements*. The CHS-NPI building was presented and discussed as one of the projects that would be coming forward for Regents’ approval in November. The total cost of the project is \$40 million, to be funded from a combination of:

- external financing supported by State appropriations (\$25 million), the subject of the *2017-18 Budget for State Capital Improvements* item, and
- campus funds (\$11 million), and hospital reserves (\$4 million), the subject of this item pertaining to the non-State budget. Campus funds are specifically from a centrally managed pool of unrestricted funds (non-State, non-tuition). These funds are derived from a variety of sources, including indirect cost recovery on sponsored contracts and grants, gift assessments, and investment earnings.

The campus intends to spend approximately \$3.7 million of campus funds and hospital reserves in 2016-17 and 2017-18 to complete the preliminary plans and working drawings for the project. By completing this work in advance, the campus will be positioned to go forward with the bid process soon after approval of the University’s *2017-18 Budget for State Capital Improvements* and approval of the 2017-18 State Budget. The campus recognizes that approval of the State funding is not guaranteed, but is willing to take that risk to accelerate the schedule.

Subject to the approval of the *2017-18 Budget for State Capital Improvements*, the Regents are being asked to: (1) approve the non-State budget of \$15 million to be funded from campus funds (\$11 million) and hospital reserves (\$4 million) with the concurrent State budget funding for a total project budget of \$40 million. Approval of the \$25 million in external financing associated with the funding mechanism provided under sections 92493 through 92496 of the Education Code, as added by Chapter 50, Statutes of 2013 (Assembly Bill 94), and amended by Chapter 22, Statutes of 2015 (Senate Bill 81) will be requested in spring of 2017.

### **RECOMMENDATION**

The President of the University recommends that the Finance and Capital Strategies Committee recommend to the Regents that subject to the approval of the *2017-18 Budget for State Capital Improvements*, the 2016-17 Budget for Capital Improvements and the Capital Improvement Program be amended as follows:

1. Los Angeles: CHS-NPI Seismic Correction – preliminary plans, working drawings, and construction – \$40 million from external financing supported by State appropriations under sections 92493 through 92496 of the Education Code (\$25 million), campus funds (\$11 million), and hospital reserves (\$4 million).
2. The scope of the project shall include the seismic upgrade of the 292,300-gross-square-foot CHS-NPI facility from a performance rating of Level V to Level III. Code corrections triggered by the work would include disabled access upgrades and fire/life safety improvements.

### **BACKGROUND**

The Neuropsychiatric Institute (NPI) building is a 292,300-gross-square-foot (GSF) structure consisting of an 11-story tower and a one-story low-rise wing. The tower and low-rise wing were constructed in 1958, and four additional tower levels, a penthouse, and an addition to the low-rise wing were built in 1967. The addition to the low-rise wing was demolished in 2010 to accommodate the construction of the Wasserman Building.

The building has not been structurally upgraded since it was constructed. It is primarily occupied by academic programs of the Semel Institute for Neuroscience and Human Behavior and the School of Medicine, as well as the UCLA Medical Center. Space types include faculty and staff offices, research laboratories, meeting rooms, an auditorium, study space, exam rooms, and animal quarters. The structure is fully occupied and would continue to be occupied by academic (90 percent of space) and medical center programs (ten percent of space) in the future.

### **PROJECT DESCRIPTION**

Seismic deficiencies include: inadequate capacity in the shear walls and a strong-beam weak-column (short-column) configuration of the perimeter spandrel frames in the tower; and

inadequate load path for seismic-resisting forces in the low-rise wing. With these conditions, there is the potential for failure of the exterior concrete columns during a moderate to large seismic event. For these reasons, the building has a Level V seismic performance rating (formerly “Poor”).

The scope of seismic strengthening work would include installation of new interior shear walls, fiber wrapping of select columns and beams, and bolting of structural elements; and repair and restoration of building finishes affected by the work. The proposed project would be designed to allow the building to remain operational during construction. Upon completion of the work, the seismic rating would be upgraded to Level III (formerly “Good”).

Additional accessibility deficiencies that need to be addressed include: elevators that lack arrival lanterns on the unrenovated floors and some elevators that lack Code-compliant handrails; drinking fountains that are not mounted at appropriate heights on the unrenovated floors; and restrooms on the first floor and floors four through eight that are not accessible to the disabled. In addition, the handrails in the building stairwells lack Code-required extensions and Code-compliant guardrails; stair treads with striping for the visually impaired; and doors with appropriate clearances and tactile exit signage.

### ***Funding Plan and Financial Feasibility***

The total project budget of \$40 million for preliminary plans, working drawing, and construction is to be funded from a combination of external financing supported by State appropriations under sections 92493 through 92496 of the Education Code (\$25 million), campus funds (\$11 million), and hospital reserves (\$4 million). Campus funds are specifically from a centrally managed pool of unrestricted funds (non-State, non-tuition). These funds are derived from a variety of sources, including indirect cost recovery on sponsored contracts and grants, gift assessments, and investment earnings.

#### **Financial Feasibility**

Approval of the \$25 million in external financing associated with the funding mechanism provided under sections 92493 through 92496 of the Education Code will be requested in spring of 2017.

This action is proposing approval to use \$4 million of hospital reserves to fund a portion of the project’s non-State budget. Throughout the projection period, the UCLA Medical Center’s debt service coverage remains above industry averages, and days’ cash on hand remains above the recommended floor of 60 days, established by the Office of the President. Actual days’ cash on hand in fiscal year 2015 was 191.7 days, and is projected to be 202.4 days in fiscal year 2016.

### ***Project Schedule***

Preliminary plans will commence following this approval action. Consideration of design approval and California Environmental Quality Act (CEQA) compliance will be eligible for

delegation to the Chancellor under the delegated process for capital projects. Design/CEQA approval is anticipated in September 2017. Construction is scheduled to commence in September 2018, with completion in June 2020.

**Key to Acronyms**

CEQA	California Environmental Quality Act
CHS	Center for the Health Sciences
GSF	Gross Square Feet
NPI	Neuropsychiatric Institute

**ATTACHMENTS:**

Attachment 1: Project Budget

Attachment 2: Project Alternatives

**PROJECT BUDGET  
CHS – NPI SEISMIC CORRECTION  
CCCI 6566**

<b>Category</b>	<b>Proposed Budget August 2016</b>	<b>% of Total</b>
Site Clearance		
Building	\$32,827,000	82.1%
Exterior Utilities		
Site Development		
A/E Fees	3,124,000	7.8%
Campus Administration	701,000	1.8%
Surveys, Tests, Plans	478,000	1.2%
Special Items <sup>(1)</sup>	565,000	1.4%
Contingency	2,305,000	5.8%
Total	\$40,000,000	100%
Group 2 & 3 Equipment		
<b>Project Total</b>	<b>\$40,000,000</b>	
<b>Project Statistics</b>	<b>August 2016</b>	
GSF	292,330	
ASF	159,427	
Efficiency Ratio: ASF:GSF	54.5%	
Building Cost/GSF	\$112	
Project Cost/GSF	\$137	
<b>Funding Schedule</b>	<b>August 2016</b>	
Preliminary Plans	\$ 1,820,000	
Working Drawings	\$ 1,902,000	
Construction	\$36,278,000	

- <sup>(1)</sup> Special Items include environmental compliance, peer reviews, specialty consultants, value engineering/constructability review, hazardous materials survey and documentation, and agency fees.

## PROJECT ALTERNATIVES

Three alternatives were considered: (1) no project; (2) exterior braced-frames and shear walls; and (3) a combination of interior shear walls, fiber wrapping, and bolting.

- (1) No project: This alternative would not address seismic deficiencies in the building. The building would not be structurally strengthened to provide occupants with seismically safe space. The seismic performance Level V rating would be unchanged.
- (2) Exterior Braced-Frames and Shear Walls: This alternative would involve the use of braced frames and shear walls on the exterior of the building.
- (3) Interior Shear Walls, Fiber Wrapping, and Bolting: This alternative would involve the construction of new shear walls, the fiber wrapping of columns, slabs, and coupling beams to increase strength and stiffness of structural elements, and the bolting of structural elements to each other at select locations. This is the preferred alternative, for reasons discussed below.

Replacement of the building was not considered a viable alternative. Studies have determined that the building can remain operational during seismic retrofit work. The proposed project is part of a multi-phase Academic Health Center Facilities Reconstruction Plan to upgrade seismically deficient structures in the Center for the Health Sciences complex (CHS). Projects include the recently completed State-funded CHS South Tower Seismic Renovation project and the CHS Seismic Correction and Fire Safety and School of Medicine West Seismic Renovation projects that are currently underway.

The NPI building is structurally similar to other seismically deficient buildings in the complex. Over the years, the campus has evaluated a variety of seismic retrofit schemes involving construction of new exterior steel-braced frames and interior and exterior shear walls. Analysis of these solutions has resulted in the development of a cost-effective strengthening alternative for buildings in the complex that utilize a combination of fiber wrap technology, bolting techniques, and interior shear walls. This approach was found to minimize impacts to building components and user operations relative to the solutions previously studied, and has resulted in significantly reduced construction and staging impacts.