

Office of the President

TO MEMBERS OF THE COMMITTEE ON GROUNDS AND BUILDINGS:

ACTION ITEM

For Meeting of September 14, 2010

ACCEPTANCE OF 2010-20 CAPITAL FINANCIAL PLAN AND PHYSICAL DESIGN FRAMEWORK AND AUTHORIZATION TO PARTICIPATE IN THE PILOT PHASE OF THE REDESIGNED PROCESS FOR CAPITAL IMPROVEMENT PROJECTS, SANTA BARBARA CAMPUS

EXECUTIVE SUMMARY

Campus: Santa Barbara

Proposed Actions: Acceptance of the *UC Santa Barbara 2010-20 Capital Financial Plan* and the *Physical Design Framework*

Authorization to participate in Pilot Program of the Redesigned Process for Capital Improvement Projects (“Capital Projects Pilot Program”)

Previous Actions: **January 2010:** Committee on Grounds and Buildings – Action – Amendment of Standing Order 100.4 and Policy on Approval of Design, Long Range Development Plans, and the Administration of the California Environmental Quality Act

September 2008: Committee on Grounds and Building – Action – Temporary Amendment of Applicable Standing Orders and Regental Policy and Approval of Implementing Guidelines for Pilot Phase of the Redesigned Process for Capital Improvement Projects

March 2008: Committee on Grounds and Building – Action – Acceptance of the Report of the Capital Projects Working Group and Approval of Pilot Phase of Process Redesign for Capital Improvement Projects

February 2008: Committee on Grounds and Building – Discussion – Progress Report on the Capital Projects Working Group

Concurrent Action: **September 2010:** Certification of Environmental Impact Report and Approval of 2010 Long Range Development Plan, Santa Barbara Campus

Project Summary: The Santa Barbara campus requests approval to begin on-campus review and consideration of capital projects within the delegated authority of the Chancellor under the Capital Projects Pilot Program. Consistent with the guidelines for the program, the campus is submitting its *Ten-Year Capital Financial Plan* and *Physical Design Framework* at this meeting. As a concurrent action, the Long Range Development Plan (LRDP) for the campus is proposed for approval by the Regents at this meeting.

RECOMMENDATION

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

- (1) Accept the *UC Santa Barbara 2010-20 Capital Financial Plan* and the *Physical Design Framework* set forth in Attachments 1 and 2.
- (2) Authorize the Santa Barbara campus to participate in the pilot phase of the redesigned process for capital improvement projects.

BACKGROUND

To be eligible to participate in the Pilot Phase of the Redesigned Process, each campus must obtain acceptance by the Committee on Grounds and Buildings of its *Capital Financial Plan* and *Physical Design Framework*. These documents are based on that campus's Strategic Academic Plan and its Regentally-approved campus Long Range Development Plan.

The Santa Barbara campus requests acceptance of its *2010-20 Capital Financial Plan* and *Physical Design Framework* and approval to begin on-campus review and consideration of approval of capital projects within the delegated authority of the Chancellor under the pilot phase of the redesigned process for capital improvement projects ("Capital Projects Pilot Program"). These two plans together present an integrated academic, physical and capital plan that is financially feasible. Acceptance of these plans, in concert with its academic plan and the 2010 Long Range Development Plan (LRDP) delegate authority to approve non-State budgets and designs of all projects with values less than or equal to \$60 million. Through this process, the Regents will exercise portfolio oversight of capital projects; Office of the President will provide due diligence regarding approval processes, and legal, financial, or policy risks; and the campuses will have greater responsibility and accountability for the successful delivery of capital projects.

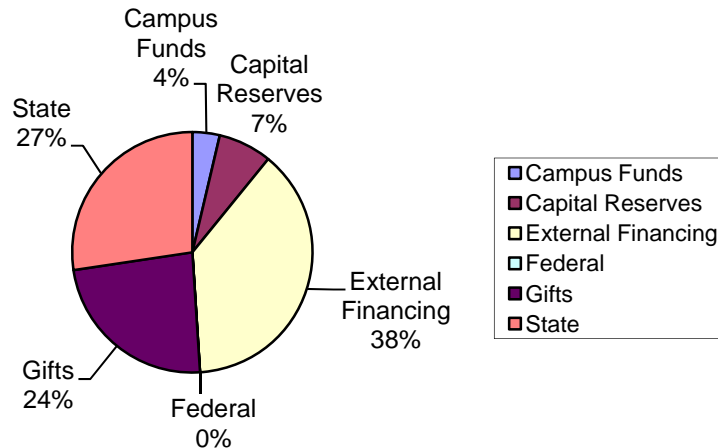
Capital Financial Plan

The *UC Santa Barbara 2010-20 Capital Financial Plan* reflects key academic and strategic program goals that will be achieved through the development of projects that are consistent with the *Physical Design Framework*. The capital plan provides a financial framework for the campus to provide appropriate facilities to support growing academic programs, renew existing aging buildings and infrastructure, expand and renew infrastructure systems and provide sufficient and affordable housing to meet the needs of students, faculty and staff. Key elements of the proposed ten-year capital plan follow.

With an estimated total value of \$1,056,080,000 the capital plan is expected to be funded with a combination of non-State resources totaling \$764,060,000 (72 percent) and State resources totaling \$292,020,000 (27 percent). Non-State resources include \$398,374,000 of external

financing, \$250,500,000 of anticipated gift funds, \$76,186,000 of capital reserves and \$39,000,000 of campus funds.

2010-11 to 2019-20 Totals by Funding Source

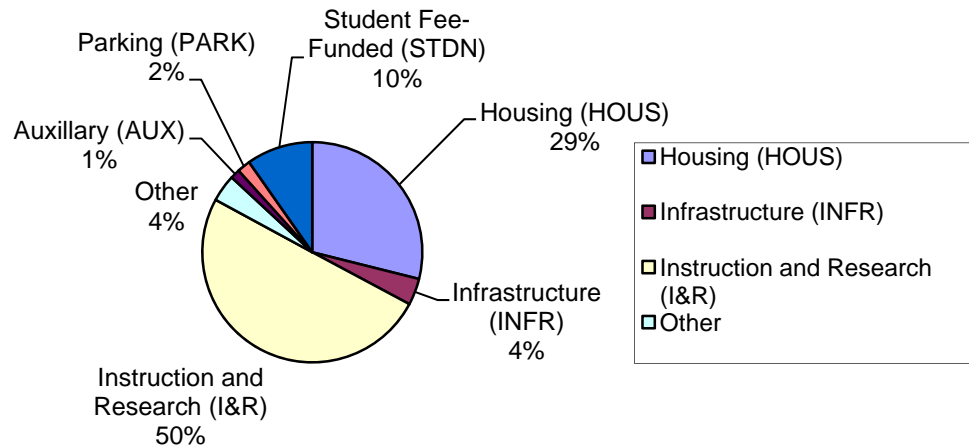


The campus' ten-year plan is based on a number of assumptions. For general campus programs, the Office of the President has assumed that approximately \$450 million per year of General Obligation bond or other capital funding would be provided from the State to the University over a ten-year period. The Santa Barbara campus share of those expected funds reflects the 2010-2015 campus allocations extrapolated over the ten-year period.

However, the availability of State funding for this *Capital Financial Plan* must be viewed in the context of the recent unprecedented economic volatility. In particular, in December 2008, the State imposed a freeze on expenditures for capital projects – including those already in construction – that has introduced an element of uncertainty regarding the schedules of State-funded projects included in this plan. In addition, the adopted 2009-2010 State budget included virtually no State funding for University capital projects, except for Telemedicine programs. The 2010 State budget, currently under consideration, includes funding for one project at Santa Barbara campus—the Davidson Library Addition and Renovation project. The Santa Barbara campus has thus had to delay and revise planned projects, further highlighting the uncertainty of the current capital planning context.

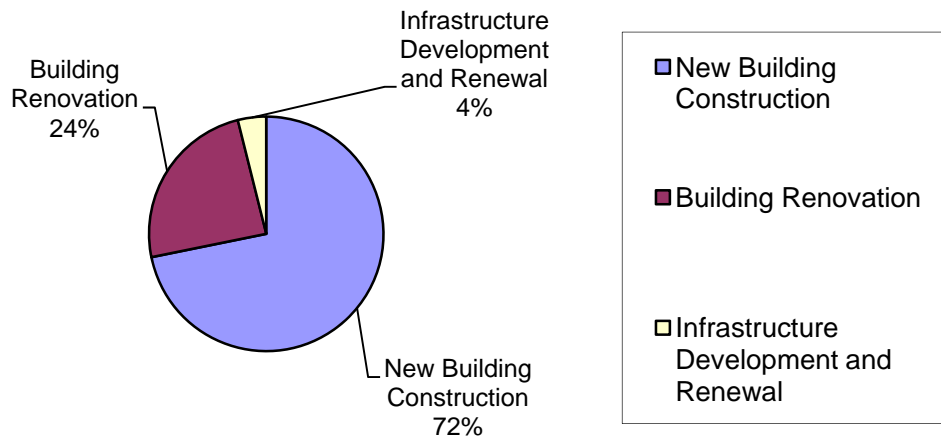
By function, \$512,550,000 of the proposed ten-year plan is expected to be spent on instruction and research facilities, \$296,800,000 for housing facilities, \$100,000,000 for student fee-funded facilities, \$40,072,000 for infrastructure projects, \$20,000,000 for one parking project and \$14,500,000 for other auxiliaries.

2010-11 to 2019-20 Totals by Function

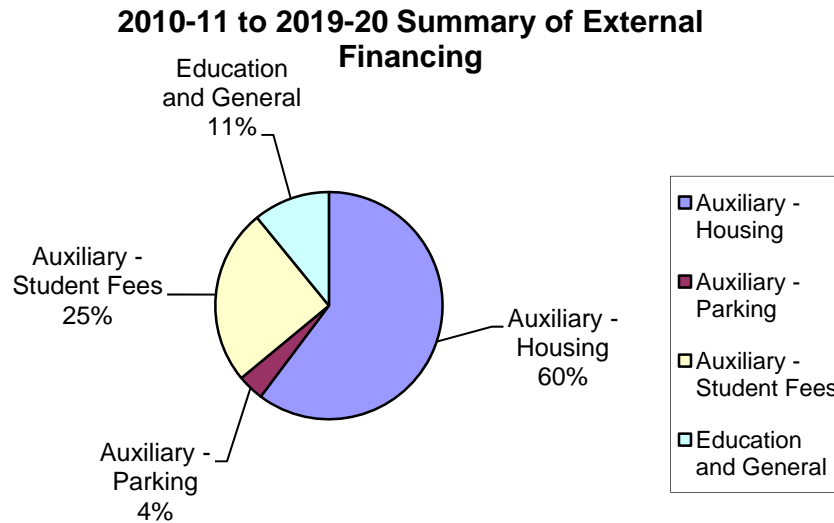


By improvement category, \$734,760,000 is expected to be spent on new facilities, \$249,560,000 on building renovations, and \$40,072,000 on infrastructure development and renewal projects.

2010-11 to 2019-20 Totals by Function



The capital improvement program reflects an estimated need for \$398,374,000 of external financing: \$43,374,000 for academic (or educational and general) facilities, \$240,000,000 for housing facilities, \$100,000,000 for student-fee-funded facilities and \$15,000,000 for parking projects.



The feasibility of external financing was based on existing business models for auxiliaries (self-supporting programs and facilities, such as housing and parking), education and general debt (for core instruction, research and support space), and plant operations (such as the energy savings program). The external financing models are in the process of being reformulated. The expectation is that once the model has been adopted systemwide that the campus will utilize the template for external financing feasibility going forward.

Over the last ten years, the campus has successfully expanded its fundraising program for capital facilities. The gift-funded capital projects shown in the ten-year plan will advance when funds are identified. Capital reserves and campus discretionary funds comprise the remaining non-State fund sources and are used as necessary to support appropriate projects.

Funding and program details can be found in the attached the *UC Santa Barbara 2010-20 Capital Financial Plan*.

The *Capital Financial Plan* also includes an update on the status of campus sustainability efforts. Because the capital plan will be updated annually, and because sustainability efforts are evolving, the plan is the document that will include these updates.

Physical Design Framework

The *Physical Design Framework (Framework)* addresses the goals, principles and objectives of the 2010 LRDP and 2006 Campus Plan at an intermediate scale that provides more specific direction for building siting decisions, site planning, landscape design, architecture, and infrastructure development.

The 2010 UC Santa Barbara Long Range Development Plan (LRDP) proposed for current approval by the Regents sets forth the overall land use plan for development of the campus

through a projected horizon year of 2020. The environmental effects of development under the 2010 LRDP were evaluated in the LRDP Environmental Impact Report (EIR) and Supplemental EIR. The 2010 LRDP lays out development goals, principles, and objectives at a land-use planning scale for the Santa Barbara campus and the *Physical Design Framework* addresses these same goals, principles and objectives and provides more specific direction for site planning, landscape design and architecture.

The *Physical Design Framework* does not change the land use plan or alter the projected square footage estimated to meet the demands of the projected campus population and institutional objectives of the campus as analyzed in the LRDP EIR. Acceptance of the *Physical Design Framework* does not relieve the campus from complying with the California Environmental Quality Act (CEQA) for individual projects implementing the 2010 LRDP. Participation in the Capital Projects Pilot Program changes only the decision-making level (*i.e.*, Chancellor or Regents) for project approval.

The *UC Santa Barbara Physical Design Framework* describes a vision for creating a physical environment at UC Santa Barbara, consistent with the 2010 LRDP that supports the academic mission by creating a physical plan that relates to the magnificent setting of the campus, increases capacity for physical growth, and establishes open space and development guidelines.

The *Framework* establishes the criteria the campus will use to judge the success of proposed projects with regard to planning and design. The *Framework* will be referenced by campus planners, architects and others to guide the effective incorporation of these goals into all projects that modify the built environment. It defines how planning goals can be met by using building and open space design guidelines, best practices in design, incorporating research on the built environment, and following key elements from the Campus Plan, Campus Housing Study, and other area planning documents.

The *Physical Design Framework* describes the core planning principles underlying the LRDP. It demonstrates how buildings and open spaces can be related to the natural setting of the campus and how additional development capacity can be gained by eliminating single-story, temporary, and inefficient buildings. The *Framework* creates a coherent system of campus open spaces based on a grid of vistas. The open space system in-turn reveals a pattern of development zones for new growth and a structure for the circulation of automobiles, bicycles, and pedestrians. As each project is implemented it will be coordinated and implemented together with the public open space network and be designed within the guidelines established by the *Framework*.

The *Framework* is supported by the system master plans and studies, architectural and landscape standards and in the project programs. The *Framework* builds on the strongest elements of prior plans and incorporates a renewed focus on the campus' natural setting, sustainability, and a more coherent physical plan for future development.