FINANCE AND CAPITAL STRATEGIES COMMITTEE
July 30, 2020

TO THE REGENTS OF THE UNIVERSITY OF CALIFORNIA

1. CONSENT AGENDA

A. Continuation of Life-Safety Fee, Berkeley Campus

The Committee recommends that the life-safety portion of the Berkeley Campus Fee (Life-Safety Fee) continue at its current level for four years, from fall 2020 through summer 2024, with the following specifications:

(1) All students enrolled at the Berkeley campus during the regular academic year be assessed a mandatory life-safety portion of the Berkeley Campus Fee of $46 per student per term from fall 2020 through spring 2024.

(2) Students enrolled in summer sessions be assessed a mandatory life-safety portion of the Berkeley Campus Fee of $23 per student from summer 2021 through summer 2024.

Committee vote: Regents Cohen, Estolano, Leib, Makarechian, Muwwakkil, Park, Reilly, and Sherman voting “aye.”

Board vote: Regents Anguiano, Butler, Cohen, Elliott, Estolano, Kieffer, Lansing, Leib, Makarechian, Mart, Muwwakkil, Napolitano, Ortiz Oakley, Park, Pérez, Reilly, Sherman, Stegura, and Zettel voting “aye,” and Regent Kounalakis voting “no.”

B. Preliminary Plans Funding, Academic Seismic Replacement Building (Evans Hall Seismic Replacement), Berkeley Campus

The Committee recommends that:

(1) The 2020-21 Budget for Capital Improvements and the Capital Improvement Program be amended as follows:

From: Berkeley: Evans Hall – study – $1.1 million to be funded from external financing supported by State appropriations.

To: Berkeley: Academic Seismic Replacement Building (Evans Hall Seismic Replacement) – study and preliminary plans – $7.1 million to be funded from external financing supported by State appropriations.
The President of the University shall be authorized to obtain external financing not to exceed $6 million, plus additional related financing costs, to finance the Academic Seismic Replacement Building. The President shall require that the Berkeley campus satisfy the following requirements:

a. Interest only, based on the amount drawn, shall be paid on the outstanding balance during the period.

b. The primary source of repayment of $6 million plus related interest expense and financing costs shall be from State appropriations, pursuant to the Education Code Section 92493 et seq. Should State appropriation funds not be available, the President shall have the authority to use any legally available funds to make debt service payments.

c. The general credit of the Regents shall not be pledged.

C. Approval of Design Following Action Pursuant to the California Environmental Quality Act, Orchard Park Graduate Student Housing and Family Housing Project, Davis Campus

The Committee recommends that, following review and consideration of the environmental consequences of the Orchard Park Graduate Student Housing and Family Housing 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 Regents:

(1) Adopt the CEQA Findings for the Project, having considered both the 2018 Long Range Development Plan (LRDP) Environmental Impact Report (EIR) for the Davis campus and the July 2020 Addendum.

(2) Make a condition of approval the implementation of applicable mitigation measures within the responsibility and jurisdiction of UC Davis as identified in the Mitigation Monitoring and Reporting Program adopted in connection with the 2018 LRDP EIR.

(3) Approve the design of the Orchard Park Graduate Student Housing and Family Housing project, Davis campus.

(4) Authorize the President of the University, or designee, in consultation with the Office of the General Counsel, to execute all documents necessary in connection with the above.
Committee vote: Regents Cohen, Estolano, Leib, Makarechian, Muwwakkil, Park, Reilly, and Sherman voting “aye.”

Board vote: Regents Anguiano, Butler, Cohen, Elliott, Estolano, Kieffer, Kounalakis, Lansing, Leib, Makarechian, Mart, Muwwakkil, Napolitano, Ortiz Oakley, Park, Pérez, Reilly, Sherman, Stegura, and Zettel voting “aye.”

2. APPROVAL OF SERVICES AGREEMENTS WITH BEAR RIVER LAND HOLDINGS, LLC AND CERTAIN OTHER AFFILIATED ENTITIES, DAVIS CAMPUS

The Committee recommends that the Regents:

A. Authorize the University of California, through its UC Davis Health (UCDH) campus, to enter into a services agreement (LUP Services Agreement) with Bear River Land Holdings, LLC (Bear River), a related party with respect to the University, consistent with the terms presented below:

(1) UCDH will provide consulting support to Bear River in the development of a Land Use Plan (LUP). The LUP will be shared by Bear River with non-University third party entities in support of Bear River’s requests for requisite permits and zoning permissions, as well as Bear River’s satisfaction of other applicable regulatory requirements to proceed with the planned development of the Community for Health and Independence (CHI), in the Sacramento area.

(2) The Regents shall be compensated in cash for the services provided in accordance with UCDH’s standard rate determination process for similar services to third parties (i.e., where no committee-approved standard rate applies), which includes: (i) reimbursement of all costs and expenses incurred, (ii) payment of salary and benefits of all staff involved, pro-rated via time commitment to the services, and (iii) application of the appropriate indirect cost rate to the overall total direct cost amount pursuant to guidance from the Office of the President (at present, the indirect cost rate is 39 percent). The anticipated total cost for the services under the LUP Services Agreement is approximately $285,000.

(3) UCDH shall provide a comprehensive, detailed report that will include information, recommendations, and guidance that are within its areas of expertise, which may include, among other things:

a. The overarching features, planning, and design components that should be included in the LUP to optimize healthy aging and independence in the community setting.
b. Ways to promote the expansion, replication, and sustainability of this community model.

c. Ways to enhance the research related to healthy aging and provide improved access and delivery of healthcare for older adults, individuals with disabilities, and other vulnerable populations.

d. Strategies to align with the University’s mission, including providing excellent, accessible, and affordable healthcare; pursuing state-of-the-art research; delivering superb medical/healthcare education; and engaging in meaningful ways with the community.

B. Authorize the University of California, through its UC Davis Health campus, to enter into future services agreements with Bear River (Additional Services Agreements) in connection with the CHI, on substantially the same terms as the LUP Services Agreement, though for different services to be determined by UCDH and Bear River from time to time. Bear River has expressed interest in working with UCDH on similar service agreements in the future. For example, Bear River has expressed interest in utilizing UCDH’s expertise regarding: (i) the design and operation of technology-enabled health and wellness centers; (ii) appropriate commercial partners to operate health kiosks that could be placed within a residential community and/or within homes; and (iii) on tools to help underserved populations access care.

C. Authorize the President of the University, which authority is expected to be further delegated by the President to the Chancellor of the Davis campus, in consultation with the General Counsel, to execute all documents, amendments, and modifications thereto, as may be necessary or appropriate in connection with the above.

Committee vote: Regents Cohen, Estolano, Leib, Makarechian, Muwwakkil, Park, Reilly, and Sherman voting “aye.”

Board vote: Regents Anguiano, Butler, Cohen, Elliott, Estolano, Kieffer, Lansing, Leib, Makarechian, Mart, Muwwakkil, Napolitano, Ortiz Oakley, Park, Pérez, Reilly, Sherman, Stegura, and Zettel voting “aye.”

3. PRELIMINARY PLANS FUNDING, HOSPITAL BED REPLACEMENT TOWER, DAVIS HEALTH CAMPUS

The Committee recommends that the 2020-21 Budget for Capital Improvements and the Capital Improvement Program be amended to include the following project:

Davis: Hospital Bed Replacement Tower – preliminary plans – $101,618,000 to be funded with hospital reserves.
Committee vote: Regents Cohen, Estolano, Leib, Makarechian, Muwwakkil, Park, Reilly, and Sherman voting “aye.”

Board vote: Regents Anguiano, Butler, Cohen, Elliott, Estolano, Kieffer, Kounalakis, Lansing, Leib, Makarechian, Mart, Muwwakkil, Napolitano, Ortiz Oakley, Park, Pérez, Reilly, Sherman, Stegura, and Zettel voting “aye.”