FINANCE AND CAPITAL STRATEGIES COMMITTEE
July 18, 2019

TO THE REGENTS OF THE UNIVERSITY OF CALIFORNIA

1. CONSENT AGENDA

A. Certification of Updated Sewer System Management Plans

The Committee recommends that, following review and consideration of the Sewer System Management Plans pursuant to the California Environmental Quality Act (CEQA), the Regents:

(1) Determine that the Sewer System Management Plans are exempt from CEQA.

(2) Certify and approve the updated Sewer System Management Plans for the following locations: Berkeley; Berkeley, University Village Albany; Berkeley Global Campus at Richmond Bay; Davis; UC Davis Health; Irvine; Los Angeles; Merced; Riverside; San Diego; Santa Barbara; Santa Cruz; and the Kearney Research and Extension Center.

B. Approval of Preliminary Plans Funding, Future College Living and Learning Neighborhood, San Diego Campus

The Committee recommends that the 2018-19 Budget for Capital Improvements and the Capital Improvement Program be amended to include the following project:

San Diego: Future College Living and Learning Neighborhood – preliminary plans – $30 million to be funded with campus funds.

C. Approval of Budget, Scope, External Financing, and Design Following Action Pursuant to the California Environmental Quality Act, 2 North Point Seismic and Tenant Improvements Project, San Francisco Campus

The Committee recommends that:

(1) The 2019-20 Budget for Capital Improvements and the Capital Improvement Program be amended as follows:

   From: San Francisco: 2 North Point Structural and Tenant Improvements – preliminary plans – $1.63 million funded from campus funds.

   To: San Francisco: 2 North Point Seismic and Tenant Improvements – preliminary plans, working drawings, construction, equipment, and
interest during construction – $35,144,000, to be funded from external financing ($33,514,000) and campus funds ($1.63 million).

(2) The scope of the 2 North Point Seismic and Tenant Improvements project shall consist of seismic retrofit of the building for use by UCSF employees, as well as accessibility, building systems, and tenant improvements.

(3) The President of the University shall be authorized to obtain external financing not to exceed $33,514,000 plus additional related financing costs, for the project. The President shall require that:

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

b. As long as the debt is outstanding, the general revenues of the San Francisco campus shall be maintained in amounts sufficient to pay the debt service and to meet the related requirements of the authorized financing.

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

(4) Following review and consideration of the environmental consequences of the proposed 2 North Point Seismic and Tenant Improvements 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 to the Regents 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:

a. Determine that the 2 North Point Seismic and Tenant Improvements project is exempt from CEQA.

b. Approve the design of the 2 North Point Seismic and Tenant Improvements project, San Francisco campus.

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

Committee vote: Regents Estolano, Leib, Makarechian, Park, Sherman, Simmons, and Um voting “aye.”

Board vote: Regents Anguiano, Cohen, Elliott, Estolano, Guber, Kieffer, Lansing, Leib, Napolitano, Ortiz Oakley, Park, Pérez, Sherman, Simmons, Sures, Um, Weddle, and Zettel voting “aye.”
2. **APPROVAL OF THE BUDGET, SCOPE, EXTERNAL FINANCING, STANDBY FINANCING, AND DESIGN FOLLOWING ACTION PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT, SUSAN AND HENRY SAMUELI COLLEGE OF HEALTH SCIENCES BUILDING, AND SUE AND BILL GROSS NURSING AND HEALTH SCIENCES HALL, IRVINE CAMPUS**

The Committee recommends that:

A. The 2019-20 Budget for Capital Improvements and the Capital Improvement Program be amended as follows:

   Irvine: Susan and Henry Samueli College of Health Sciences Building – design, construction, equipment, and interest during construction – $113 million to be funded from gifts ($55 million), external financing ($55 million), and campus funds ($3 million)

   Irvine: Sue and Bill Gross Nursing and Health Sciences Hall – design, construction, equipment, and interest during construction – $72 million to be funded from gifts ($30 million), external financing ($41.5 million), and campus funds ($0.5 million)

B. The scope of the Susan and Henry Samueli College of Health Sciences Building shall consist of constructing an approximately 108,200-gross-square-foot (gsf) (63,600-assignable-square-foot (asf)) building that would provide clinical space, classrooms and instructional space, research space, academic and administrative office space, and shared collaboration and scholarly activity space.

   The scope of the Sue and Bill Gross Nursing and Health Sciences Hall shall consist of constructing an approximately 71,500-gsf (43,100-asf) building that would provide classrooms and instructional laboratories, research space, academic and administrative office space, and shared collaboration and scholarly activity space.

C. The President of the University be authorized to obtain external financing in an amount not to exceed $96.5 million, plus additional related financing costs, to finance the Susan and Henry Samueli College of Health Sciences Building and the Sue and Bill Gross Nursing and Health Sciences Hall. 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) As long as the debt is outstanding, the general revenues of the Irvine campus shall be maintained in amounts sufficient to pay the debt service and to meet the requirements of the authorized financing.

   (3) The general credit of the Regents shall not be pledged.
D. The President be authorized to obtain standby financing not to exceed $45 million, plus related interest expense and additional financing costs, for the Susan and Henry Samueli College of Health Sciences Building and the Sue and Bill Gross Nursing and Health Sciences Hall, subject to the following conditions:

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

2. Repayment of any debt shall be from gift 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 unrestricted campus funds shall be used to pay the debt service and to meet the related requirements of the authorized financing.

3. As long as the debt is outstanding, the general revenues of the Irvine 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.

E. Following review and consideration of the environmental consequences of the proposed Susan and Henry Samueli College of Health Sciences Building and the Sue and Bill Gross Nursing and Health Sciences Hall 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 Initial Study and Mitigated Negative Declaration for the Susan and Henry Samueli College of Health Sciences Building and the Sue and Bill Gross Nursing and Health Sciences Hall project.

2. Adopt the Mitigation Monitoring and Reporting Program for the Susan and Henry Samueli College of Health Sciences Building and the Sue and Bill Gross Nursing and Health Sciences Hall project, and make a condition of approval the implementation of mitigation measures within the responsibility and jurisdiction of UC Irvine.

3. Adopt the CEQA Findings for the Susan and Henry Samueli College of Health Sciences Building and the Sue and Bill Gross Nursing and Health Sciences Hall project.
(4) Approve the design of the Susan and Henry Samueli College of Health Sciences Building and the Sue and Bill Gross Nursing and Health Sciences Hall project.

Committee vote: Regents Blum, Cohen, Estolano, Kounalakis, Leib, Makarechian, Napolitano, Sherman, and Um voting “aye.”

Board vote: Regents Anguiano, Cohen, Elliott, Estolano, Guber, Kieffer, Lansing, Leib, Napolitano, Ortiz Oakley, Park, Pérez, Sherman, Simmons, Sures, Um, Weddle, and Zettel voting “aye.”

3. APPROVAL OF BUDGET, SCOPE, EXTERNAL FINANCING, AND DESIGN FOLLOWING ACTION PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT, CHEMISTRY ADDITION AND FIRST FLOOR RENOVATION, AND DELEGATION OF AUTHORITY FOR FUTURE CAPITAL APPROVALS FOR CHEMISTRY BUILDING AND CHEMISTRY ANNEX, DAVIS CAMPUS

The Committee recommends that:

A. The 2019-20 Budget for Capital Improvements and the Capital Improvement Program be amended as follows:

From: Davis: Chemistry Addition and First Floor Renovation – preliminary plans – $5,114,000 to be funded from campus funds.

To: Davis: Chemistry Addition and First Floor Renovation – preliminary plans, working drawings, construction, and equipment – $46,921,000 to be funded with external financing.

B. The scope of the Chemistry Addition and First Floor Renovation project shall provide approximately 29,700 new assignable square feet (asf) and 7,200 renovated asf to provide modern laboratories and collaboration spaces in support of the increasing demand for teaching and research.

C. The President of the University shall be authorized to approve external financing (Century Bonds 2012 and 2015) in an amount not to exceed $46,921,000 plus additional related financing costs to finance the Chemistry Addition and First Floor Renovation project. 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) As long as the debt is outstanding, the 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. Following review and consideration of the environmental consequences of the Chemistry Addition and First Floor Renovation 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 to the Regents 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 February 2019 Addendum\(^1\); and

(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 Chemistry Addition and First Floor Renovation project, Davis campus.

E. The President shall be authorized to approve individual capital projects located in the Chemistry Building and Chemistry Annex with a cumulative total up to and including $25 million over a period of three years, until July 2022. Minor capital projects, within these buildings, with a project cost of less than or equal to $1 million are not included in the cumulative total.

Committee vote: Regents Blum, Estolano, Kounalakis, Leib, Makarechian, Napolitano, Pérez, Sherman, Simmons, and Um voting “aye.”

Board vote: Regents Anguiano, Cohen, Elliott, Estolano, Guber, Kieffer, Lansing, Leib, Napolitano, Ortiz Oakley, Park, Pérez, Sherman, Simmons, Sures, Um, Weddle, and Zettel voting “aye.”

\(^1\) The February 2019 Addendum covers the proposed Chemistry Complex Addition and First Floor Renovation Project, other capital projects in the Chemistry Complex, as well as construction of a new Engineering Student Design Center at Bainer Hall, located southeast of the Chemistry Complex.