FINANCE AND CAPITAL STRATEGIES COMMITTEE
March 14, 2019

TO THE REGENTS OF THE UNIVERSITY OF CALIFORNIA

1. **APPROVAL OF LONG RANGE DEVELOPMENT PLAN AMENDMENT #2 AND DESIGN FOLLOWING ACTION PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT, STUDENT HOUSING WEST PROJECT, SANTA CRUZ CAMPUS**

Following review and consideration of the environmental impacts of the proposed Student Housing West 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 Committee recommends that the Regents:

A. Certify the Environmental Impact Report.

B. Adopt the Mitigation Monitoring and Reporting Program for the Student Housing West project, and make a condition of approval the implementation of mitigation measures within the responsibility and jurisdiction of the Santa Cruz campus.

C. Adopt the CEQA Findings and Statement of Overriding Considerations for the Student Housing West project.

D. Approve Amendment No. 2 to the UC Santa Cruz 2005 Long Range Development Plan to change the land use designation of 17 acres of Campus Resource Land to Colleges and Student Housing.

E. Approve the design of the Student Housing West project, Santa Cruz campus, subject to approval by Regents Makarechian, Cohen, and Park to confirm the price of the other alternatives within two weeks.

Committee vote: Regents Anguiano, Blum, Cohen, Kieffer, Leib, Makarechian, Park, and Sherman voting “aye,” and Regent Anderson voting “no.”

Board vote: Regents Anderson, Butler, Cohen, Elliott, Estolano, Graves, Guber, Kieffer, Kounalakis, Lansing, Leib, Makarechian, Morimoto, Napolitano, Ortiz Oakley, Park, Pérez, Sherman, Sures, and Zettel voting “aye.”
2. APPROVAL OF THE BUDGET, SCOPE, EXTERNAL FINANCING, AND DESIGN FOLLOWING ACTION PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT, KRESGE COLLEGE ACADEMIC, SANTA CRUZ CAMPUS

The Committee recommends that:

A. The 2018-19 Budget for Capital Improvements and the Capital Improvement Program be amended as follows:

From: Santa Cruz: Kresge College Academic – preliminary plans – $3 million – funded from General campus funds.

To: Santa Cruz: Kresge College Academic – preliminary plans, working drawings, construction, and equipment – $53 million to be funded from General campus funds ($3 million) and external financing supported by State General Fund appropriations ($50 million).

B. The Regents approve the scope of the Kresge College Academic Project to provide approximately 25,000 assignable square feet of academic instructional and support space. At three stories, the facility includes a new approximately 600-seat lecture hall, another lecture hall, classrooms, and a computing laboratory.

C. The Regents approve external financing in an amount not to exceed $50 million plus related interest expense and additional related financing costs to finance Kresge College Academic. The Santa Cruz campus shall satisfy the following requirements:

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

2. The primary source of repayment shall be from State General Fund appropriations, pursuant to the Education Code Section 92493 et seq. Should State General Fund appropriation funds not be available, the President shall have the authority to use any legally available funds to make debt service payments.

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

D. Following review and consideration of the environmental consequences of the Kresge College Renewal and Expansion Project Draft Environmental Impact Report, of which the proposed Kresge Academic Project is a part, 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) Certify the Environmental Impact Report for the Kresge College Renewal and Expansion Project.

(2) Adopt the Mitigation Monitoring and Reporting Program for the Kresge College Renewal and Expansion Project, and make a condition of approval the implementation of mitigation measures within the responsibility and jurisdiction of the Santa Cruz campus.

(3) Adopt the CEQA Findings and Statement of Overriding Considerations for the Kresge College Renewal and Expansion Project.

(4) Approve the design of the UC Santa Cruz Kresge Academic Project.

Committee vote: Regents Anderson, Anguiano, Blum, Cohen, Kieffer, Leib, Makarechian, Park, and Sherman voting “aye.”

Board vote: Regents Anderson, Butler, Cohen, Elliott, Estolano, Graves, Guber, Kieffer, Kounalakis, Lansing, Leib, Makarechian, Morimoto, Napolitano, Ortiz Oakley, Park, Perez, Sherman, Sures, and Zettel voting “aye.”

3. **APPROVAL OF THE BUDGET, SCOPE, EXTERNAL FINANCING, AND DESIGN FOLLOWING ACTION PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT, KRESGE COLLEGE NON-ACADEMIC, SANTA CRUZ CAMPUS**

The Committee recommends that:

A. The 2018-19 Budget for Capital Improvements and the Capital Improvement Program be amended as follows:

From: Santa Cruz: Kresge College Non-Academic – preliminary plans – $9,661,000 to be funded from housing auxiliary reserves ($8,127,000), Student Services Fee reserves ($1.2 million), parking auxiliary reserves ($100,000), and campus funds ($234,000).

To: Santa Cruz: Kresge College Non-Academic – preliminary plans, working drawings, construction, and equipment – $205.65 million to be funded by: Auxiliary – Student Housing/Dining reserves ($8.5 million), Auxiliary – Student Fee reserves ($1.2 million), Auxiliary – Parking reserves ($100,000), General campus funds ($27,547,000), external financing.
supported by student Housing/Dining Fees ($161.5 million), and external financing from Century Bonds ($6,803,000).

B. The base scope of the Kresge College Non-Academic project includes a net total of approximately 94,300 assignable square feet (asf). The project will provide approximately 84,300 asf of residential space, supplying approximately 400 new residence-hall-style beds for first year students, approximately 150 renovated apartment-style beds for continuing students, residential life space including a new café, study, and social lounges, and site improvements. The scope also includes approximately 10,000 asf of student programs space, 2,800 asf for academic office and support space, and outdoor program area, including circulation and parking lot improvements, outdoor commons, and a new accessible bridge. If the budget allows, an additional 2,800 asf of space will be added for a new Town Hall for student activities. If the budget also allows, the extent of renovation work performed in a portion of the academic support space may be increased but with no change to the project’s total asf.

C. The President of the University be authorized to obtain external financing in an amount not to exceed $161.5 million plus additional related financing costs to finance Kresge College Non-Academic. 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 Santa Cruz 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. External financing (Century Bond 2015) in an amount not to exceed $6,803,000 to finance the Kresge College Non-Academic project be approved. The Santa Cruz campus shall satisfy the following requirements:

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 Santa Cruz 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.

E. Following review and consideration of the environmental consequences of the Kresge College Renewal and Expansion Project Draft Environmental Impact Report, of which the proposed Kresge Non-Academic Project is a part, 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. Certify the Environmental Impact Report for the Kresge College Renewal and Expansion Project.

2. Adopt the Mitigation Monitoring and Reporting Program for the Kresge College Renewal and Expansion Project, and make a condition of approval the implementation of mitigation measures within the responsibility and jurisdiction of the Santa Cruz campus.

3. Adopt the CEQA Findings and Statement of Overriding Considerations for the Kresge College Renewal and Expansion Project.

4. Approve the design of the UC Santa Cruz Kresge Non-Academic Project.

Committee vote: Regents Anderson, Anguiano, Blum, Cohen, Kieffer, Leib, Makarechian, Park, and Sherman voting “aye.”

Board vote: Regents Anderson, Butler, Cohen, Elliott, Estolano, Graves, Guber, Kieffer, Kounalakis, Lansing, Leib, Makarechian, Morimoto, Napolitano, Ortiz Oakley, Park, Pérez, Sherman, Sures, and Zettel voting “aye.”

4. APPROVAL OF PRELIMINARY PLANS FUNDING, PEPPER CANYON WEST UPPER DIVISION UNDERGRADUATE STUDENT HOUSING PROJECT, 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: Pepper Canyon West Upper Division Undergraduate Student Housing – preliminary plans – $20 million, to be funded from auxiliary – student housing reserves.

Committee vote: Regents Anderson, Anguiano, Cohen, Leib, Makarechian, Park, and Sherman voting “aye.”

Board vote: Regents Anderson, Butler, Cohen, Elliott, Estolano, Graves, Guber, Kieffer, Kounalakis, Lansing, Leib, Makarechian, Morimoto, Napolitano, Ortiz Oakley, Park, Pérez, Sherman, Sures, and Zettel voting “aye.”
5. **APPROVAL OF INCREASE TO UNDERGRADUATE NONRESIDENT SUPPLEMENTAL TUITION FOR 2019-20**

The Committee recommends that the Regents approve the increase in undergraduate Nonresident Supplemental Tuition shown in Display 1, to be effective commencing with the 2019-20 academic year.

**DISPLAY 1: Proposed Increase to Undergraduate Nonresident Supplemental Tuition**

<table>
<thead>
<tr>
<th>Nonresident Supplementation Tuition</th>
<th>2018-19 Charge</th>
<th>Proposed Adjustments</th>
<th>Proposed % Change</th>
<th>Charges Effective 2019-20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Undergraduate</td>
<td>$28,992</td>
<td>$762</td>
<td>2.6%</td>
<td>$29,754</td>
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</table>


Board vote on a motion to table the item: Regents Anderson, Butler, Cohen, Elliott, Estolano, Guber, Kieffer, Kounalakis, Lansing, Leib, Makarechian, Morimoto, Napolitano, Ortiz Oakley, Park, Pérez, Sherman, and Sures voting “aye,” and Regents Graves and Zettel voting “no.”