FINANCE AND CAPITAL STRATEGIES COMMITTEE
May 16, 2019

TO THE REGENTS OF THE UNIVERSITY OF CALIFORNIA

1. APPROVAL OF LONG RANGE DEVELOPMENT PLAN AMENDMENT 5 FOR THE NORTH DISTRICT DEVELOPMENT PLAN AND DESIGN OF THE NORTH DISTRICT PHASE 1 PROJECT FOLLOWING ACTION PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT, RIVERSIDE CAMPUS

Following review and consideration of the environmental consequences of the proposed North District Development Plan, including the North District Phase 1 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 Committee recommends that the Regents:

A. Certify the Environmental Impact Report for the North District Development Plan.

B. Adopt the Mitigation Monitoring and Reporting Program for the North District Development Plan, and make a condition of approval the implementation of mitigation measures within the responsibility and jurisdiction of the Riverside campus.

C. Adopt the CEQA Findings for the North District Development Plan and Statement of Overriding Considerations for the North District Development Plan.

D. Approve Amendment No. 5 to the UC Riverside 2005 Long Range Development Plan for the North District Development Plan.

E. Approve the design of the North District Phase 1 project, Riverside campus.

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

Board vote: Regents Anderson, Anguiano, Blum, 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 LONG RANGE DEVELOPMENT PLAN AMENDMENT 4 AND DESIGN FOLLOWING ACTION PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT, UPPER HEARST DEVELOPMENT FOR THE GOLDMAN SCHOOL OF PUBLIC POLICY AND HOUSING PROJECT, BERKELEY CAMPUS**

Following review and consideration of the potential environmental consequences of the Upper Hearst Development for the Goldman School of Public Policy and 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 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 Committee recommends that the Regents:

A. Certify the Supplemental Environmental Impact Report for the Upper Hearst Development for the Goldman School of Public Policy and Housing Project.

B. Adopt the Mitigation Monitoring and Reporting Program for the Upper Hearst Development for the Goldman School of Public Policy and Housing Project, and make a condition of approval the implementation of mitigation measures within the responsibility and jurisdiction of the Berkeley campus.

C. Adopt the CEQA Findings and Statement of Overriding Considerations for the Upper Hearst Development for the Goldman School of Public Policy and Housing Project.

D. Approve Amendment No. 4 to the UC Berkeley 2020 Long Range Development Plan.

E. Approve the design of the Upper Hearst Development for the Goldman School of Public Policy and Housing Project, Berkeley campus.

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

Board vote: Regents Anderson, Anguiano, Blum, 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 BUDGET, SCOPE, EXTERNAL FINANCING, AND DESIGN FOLLOWING ACTION PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT, CLASSROOM BUILDING, SANTA BARBARA CAMPUS**
The Committee recommends that:

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

From: Santa Barbara: Classroom Building – preliminary plans – $2.1 million to be funded from campus funds.

To: Santa Barbara: Classroom Building – preliminary plans, working drawings, construction, and equipment – $97,133,000 to be funded with external financing of $79,787,000 supported by State appropriations, and campus funding of $17,346,000 from unrestricted non-State, non-tuition funds.

B. The scope of the Classroom Building project shall provide approximately 51,000 assignable square feet (95,048 gross square feet) in a four-story structure. The building provides approximately 2,000 general assignment classroom seats in approximately 47,100 assignable square feet (asf) and approximately 3,900 asf of classroom support facilities that include projection rooms, sound and light locks, storage, lobby, technical office space, and a lactation room. The scope includes relocation of a bicycle path and bicycle parking, extension of the Pardall Corridor pedestrian walk, demolition of Building 408, soil remediation, landscaping, and fixed and movable furnishings and equipment.

C. The President of the University shall be authorized to obtain external financing not to exceed $79,787,000 plus additional related financing costs. 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) 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 proposed Classroom Building 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 the 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 Classroom Building project.

(2) Adopt the Mitigation Monitoring and Reporting Program for the Classroom Building project, and make a condition of approval the implementation of mitigation measures within the responsibility and jurisdiction of UC Santa Barbara.

(3) Adopt the CEQA Findings for the Classroom Building project.

(4) Approve the design of the Classroom Building project, Santa Barbara campus.

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

Board vote: Regents Anderson, Anguiano, Blum, 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 DESIGN FOLLOWING ACTION PURSUANT TO CALIFORNIA ENVIRONMENTAL QUALITY ACT, FRANKLIN ANTONIO HALL, SAN DIEGO CAMPUS

Following review and consideration of the environmental consequences of the Franklin Antonio 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 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 Committee recommends that the Regents:

A. Adopt the CEQA Findings for Franklin Antonio Hall, having considered the 2018 Long Range Development Plan (LRDP) Environmental Impact Report (EIR) for the La Jolla Campus, as well as Addendum No. 1 to the 2018 LRDP EIR for Franklin Antonio Hall.

B. Make a condition of approval the implementation of applicable mitigation measures within the responsibility and jurisdiction of UC San Diego, as identified in the Mitigation Monitoring and Reporting Program adopted in connection with the 2018 LRDP EIR.
C. Approve the design of Franklin Antonio Hall, San Diego campus, subject to review of the project’s efficiency ratio and cost by Regents Makarechian, Park, and Kounalakis.

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

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

5. PRELIMINARY ENDORSEMENT OF SENATE BILL 14, THE HIGHER EDUCATION FACILITIES BOND ACT OF 2020

The Committee recommends that the Regents preliminarily endorse Senate Bill 14, the Higher Education Facilities Bond Act of 2020.

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

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

6. ADOPTION OF ENDOWMENT ADMINISTRATION COST RECOVERY RATE

The Committee recommends that the endowment administration cost recovery rate remain at 55 basis points (0.55 percent)\(^1\) and apply to distributions from the General Endowment Pool (GEP) to be made after July 1, 2019, from the eligible assets invested in the GEP. The funds recovered shall be used to defray, in part, the cost of administering and carrying out the terms of endowments on the campuses and at the Office of the President.

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

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

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\(^1\) One basis point is \(0.01\) percent of yield (i.e., one hundred basis points equals one percent); 55 basis points are the equivalent of $55 on endowment assets with a 60-month average market value of $10,000.
7. **ADOPTION OF EXPENDITURE RATE FOR THE GENERAL ENDOWMENT POOL**

The Committee recommends that the expenditure rate per unit of the General Endowment Pool (GEP) for expenditure in the 2019-20 fiscal year remain at 4.75 percent of a 60-month moving average of the market value of a unit invested in the GEP.

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

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