FINANCE AND CAPITAL STRATEGIES COMMITTEE
November 14, 2019

TO THE REGENTS OF THE UNIVERSITY OF CALIFORNIA

1. CONSENT AGENDA

A. Approval of Preliminary Plans Funding, Hilgard Faculty Housing, Los Angeles Campus

The Committee recommends that the 2019-20 Budget for Capital Improvements be amended to include the following project:

Los Angeles: Hilgard Faculty Housing – preliminary plans – $4.74 million to be funded from housing reserves.

B. Approval of the Budget, Scope, and Design and Approval of Long Range Development Plan Amendment Following Action Pursuant to the California Environmental Quality Act, Ambulatory Care Center Expansion with Eye Center, Davis Health Campus

The Committee recommends that:

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

From: UC Davis Health System (Sacramento): Ambulatory Care Center Expansion with Eye Center – preliminary plans – $6,706,000 to be funded from hospital reserves.

To: UC Davis Health System (Sacramento): Ambulatory Care Center Expansion with Eye Center – preliminary plans, working drawings, construction, and equipment – $87.5 million – to be funded from gift funds ($19 million), campus funds ($19 million), and hospital reserves ($49.5 million).

(2) The scope of the Ambulatory Care Center Expansion with Eye Center project shall consist of construction of a 73,675-gross-square-foot expansion and renovation for outpatient clinical examination rooms, waiting areas, office and conference space, and all site work and associated utilities.

(3) Following review and consideration of the environmental consequences of the Ambulatory Care Center Expansion with Eye Center 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. Adopt the CEQA Findings for the Project, having considered both the 2010 Long Range Development Plan (LRDP) Environmental Impact Report (EIR) for the Sacramento campus and September 2019 Addendum for the Eye Center Project; and by adopting the CEQA findings, the Regents reaffirm the Statement of Overriding Considerations adopted in connection with certification of the final EIR.

b. Make a condition of approval the implementation of applicable mitigation measures within the responsibility and jurisdiction of the Sacramento campus as identified in the Mitigation Monitoring and Reporting Program adopted in connection with the 2010 LRDP EIR.

c. Approve the design of the Ambulatory Care Center Expansion with Eye Center project, Sacramento campus.

d. Approve the 2010 LRDP Amendment #1/November 2019/Eye Center Project Land Use Amendment.

C. Authorization of Medical Center Pooled Revenue Bonds Taxable External Financing

The Committee recommends that the Regents authorize the President of the University to:

(1) Issue a taxable borrowing with a final maturity not to exceed 100 years and in an aggregate principal amount not to exceed $2 billion plus financing costs to be issued under the University’s Medical Center Pooled Revenue Bond indenture. As long as the bonds are outstanding, the medical centers receiving such proceeds shall satisfy the following requirements:

a. The medical centers receiving proceeds, Davis, Irvine, Los Angeles, San Diego, and San Francisco (the “Medical Centers”) shall maintain revenues in amounts sufficient to pay the debt service and to meet the related requirements of the authorized financing.

b. The general credit of the Regents shall not be pledged.
(2) Take all necessary actions related to the action approved above, including, but not limited to, approval, execution, and delivery of all necessary or appropriate financing documents.

D. Approval of Budget, Scope, External Financing, and Design Following Action Pursuant to the California Environmental Quality Act, UCSF Research and Academic Building at Zuckerberg San Francisco General Hospital, San Francisco Campus

The Committee recommends that:

(1) The 2019-2020 Budget for Capital Improvements and the Capital Improvement Program be amended as follows:


To: San Francisco: UCSF Research Building at Zuckerberg San Francisco General Hospital – preliminary plans, working drawings, construction, equipment, and interest during construction – $275,115,000, to be funded from external financing ($199,615,000), gift funds ($50 million), and campus funds ($25.5 million).

(2) The scope of the UCSF Research Building at Zuckerberg San Francisco General Hospital project shall consist of constructing a new research and academic building with approximately 135,000 assignable square feet (asf) of space that would include office and dry research laboratory and support (82,000 asf); wet laboratory research and service (36,900 asf); a Patient Research Center (5,100 asf); education space (4,400 asf); and building support (6,600 asf).

(3) The President of the University shall be authorized to obtain external financing not to exceed $199,615,000 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 UCSF Research Building at Zuckerberg San Francisco General Hospital 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. Make a condition of approval the implementation of applicable mitigation measures within the responsibility and jurisdiction of UCSF, as identified in the Mitigation Monitoring and Reporting Program adopted in connection with the Final Environmental Impact Report (EIR).

b. Adopt the CEQA Findings for the UCSF Research Building at the Zuckerberg San Francisco General Hospital, having considered the Final EIR, as updated by the November 2019 Addendum to the Final EIR. By adopting the CEQA Findings, the Regents reaffirm the Statement of Overriding Considerations adopted in connection with certification of the Final EIR.

c. Approve the design of the UCSF Research Building at the Zuckerberg San Francisco General Hospital, San Francisco campus.

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

E. Approval of Budget and External Financing, Roadway and Site Improvements at Zuckerberg San Francisco General Hospital, 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: Roadway and Site Improvements at Zuckerberg San Francisco General Hospital – preliminary plans and working drawings – $3,711,000 to be funded from campus funds.

To: San Francisco: Roadway and Site Improvements at Zuckerberg San Francisco General Hospital – preliminary plans, working drawings, construction, and interest during construction –
$11,816,000 to be funded from external financing.

(2) The President of the University be authorized to obtain external financing not to exceed $11,816,000 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.

F. Approval of UC San Diego 2019 Long Range Development Plan Following Action Pursuant to the California Environmental Quality Act, Hillcrest Campus, San Diego Campus

The Committee recommends that, following review and consideration of the environmental consequences of the proposed UC San Diego Hillcrest Campus 2019 Long Range Development Plan (LRDP), 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 UC San Diego 2019 LRDP, Hillcrest campus.

(2) Adopt the Mitigation Monitoring and Reporting Program, and make a condition of approval the implementation of mitigation measures within the responsibility and jurisdiction of UC San Diego.

(3) Adopt the CEQA Findings and Statement of Overriding Considerations.

(4) Approve the UC San Diego 2019 LRDP, Hillcrest Campus, including the appended Greenhouse Gas Reduction Strategy.

(5) Approve demolition of buildings as outlined in the 2019 LRDP and analyzed in the 2019 LRDP Environmental Impact Report.

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

2. UNIVERSITY OF CALIFORNIA FINANCIAL REPORTS, 2019

The Committee recommends that the Regents adopt the 2018-19 Annual Financial Reports for the University of California, the University of California Retirement System, and the five University of California Medical Centers.

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

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

3. APPROVAL OF THE 2019-25 CAPITAL FINANCIAL PLAN

The President of the University recommends that the Finance and Capital Strategies Committee recommend to the Regents that the University of California 2019-25 Capital Financial Plan be approved.

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

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

4. APPROVAL OF THE NEW HOSPITAL AT UCSF HELEN DILLER MEDICAL CENTER AT PARNASSUS HEIGHTS PROGRAM INTEGRATED FORM OF AGREEMENT AND PROCUREMENT STRATEGY, SAN FRANCISCO CAMPUS

The Committee recommends that:

A. The proposed Integrated Form of Agreement (IFOA) procurement methodology for the design, construction, and development of the New Hospital at UCSF Helen Diller Medical Center at Parnassus Heights Program, based on selection premised upon qualifications followed by competitive negotiation, be determined to be in the best interest of the University pursuant to Section 10503(e) of the California Public Contract Code.
B. The President of the University be authorized, in consultation with the General Counsel, to approve and execute the IFOA and any other documents necessary in connection with the above.

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

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