FINANCE AND CAPITAL STRATEGIES COMMITTEE  
September 22, 2022  

TO THE REGENTS OF THE UNIVERSITY OF CALIFORNIA  

1. BUDGET, SCOPE, EXTERNAL FINANCING, AND DESIGN FOLLOWING ACTION PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT, ACADEMIC REPLACEMENT BUILDING, BERKELEY CAMPUS  

The Committee recommends that:  

A. The 2022-23 Budget for Capital Improvements and Capital Improvement Program be amended as follows:  

From: Berkeley: Academic Replacement Building – study and preliminary plans – $7.1 million to be funded from external financing supported by State appropriations under the provisions of Section 92493 et seq. of the California Education Code.  

To: Berkeley: Academic Replacement Building – study, preliminary plans, working drawings, construction, and equipment – $136,823,000 to be funded by external financing supported by State appropriations under the provisions of Section 92493 et seq. of the California Education Code ($123,823,000) and campus funds ($13 million).  

B. The scope of the Academic Replacement Building project be approved. The project shall provide an academic building of approximately 78,000 gross square feet (45,800 assignable square feet (asf)) comprised of office space (12,500 asf); classrooms (32,300 asf); and other support and shared spaces to support occupants (1,000 asf); and public realm and circulation improvements, including landscape and public gathering spaces around the site on Campanile Way, Grade Street, Frank Schlessinger Way, and Spieker Plaza. The make-ready scope shall include extension of campus power to the site.  

C. The President of the University shall be authorized to obtain external financing in an amount not to exceed $123,823,000 plus related interest expense and additional related financing costs to finance the project. The President shall require that the Berkeley campus 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 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.
(3) The general credit of the Regents shall not be pledged.

D. Following review and consideration of the environmental consequences of the Academic Replacement 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 48 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 Academic Replacement Building project, having considered both the UC Berkeley 2021 Long Range Development Plan and Housing Project #1 and #2 Environmental Impact Report (2021 LRDP EIR) and Addendum #3 to the 2021 LRDP EIR for the Academic Replacement Building.

(2) Make a condition of approval the implementation of applicable Mitigation Measures and Continuing Best Practices within the responsibility and jurisdiction of UC Berkeley as identified in the Mitigation Monitoring and Reporting Program adopted in connection with the 2021 LRDP and Housing Project #1 and #2 EIR.

(3) Approve the design of the Academic Replacement Building project, Berkeley campus.

Committee vote: Regents Cohen, Drake, Kounalakis, Leib, Pouchot, Reilly, and Sherman voting “aye” and Regent Makarechian abstaining.

Board vote: Regents Anguiano, Batchlor, Blas Pedral, Chu, Cohen, Drake, Elliott, Kounalakis, Leib, Makarechian, Matosantos, Ortiz Oakley, Park, Reilly, Sures, Thurmond, and Timmons voting “aye.”

2. BUDGET, SCOPE, STANDBY FINANCING, AND DESIGN FOLLOWING ACTION PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT, BECHTEL ENGINEERING CENTER RENOVATION AND ADDITION, BERKELEY CAMPUS

The Committee recommends that:
A. The 2022-23 Budget for Capital Improvements and Capital Improvement Program be amended as follows:

From: Berkeley: Bechtel Engineering Center Renovation and Addition – preliminary plans – $5.9 million to be funded from gift funds.

To: Berkeley: Bechtel Engineering Center Renovation and Addition – preliminary plans, working drawings, construction, and equipment – $92.35 million to be funded by gift funds.

B. Standby financing be approved in an amount not to exceed $18 million plus related interest expense and additional related financing costs to finance the Bechtel Engineering Center Renovation and Addition project. The Berkeley 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) 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 campus funds shall be used to pay the debt service and meet the authorized financing requirements.

(3) As long as the debt is outstanding, the general revenues of the Berkeley 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.

C. The scope of the Bechtel Engineering Center Renovation and Addition project be approved. The project shall provide approximately 82,700 gross square feet (58,315 assignable square feet (asf)) of new and renovated space to address student support services and collaboration space needs, including office space (4,825 asf); collaboration and meeting space (18,630 asf); library space (22,210 asf); auditorium space (2,530 asf); general use space (1,530 asf); and flexible surge space (8,590 asf). Public realm improvements shall include expanded terrace and plaza spaces for studying and collaboration, and improved wayfinding and circulation. The project would also address deferred maintenance, including upgrades to mechanical systems, replacement of waterproofing, façade repairs, and removal of architectural barriers to accessibility.

D. Following review and consideration of the environmental consequences of the Bechtel Engineering Center Renovation and Addition 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 48 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 Bechtel Engineering Center Renovation and Addition project, having considered both the UC Berkeley 2021 Long Range Development Plan and Housing Project #1 and #2 Environmental Impact Report (2021 LRDP EIR) and Addendum #2 to the 2021 LRDP EIR for the Bechtel Engineering Center Renovation and Addition project.

(2) Make a condition of approval the implementation of applicable Mitigation Measures and Continuing Best Practices within the responsibility and jurisdiction of UC Berkeley as identified in the Mitigation Monitoring and Reporting Program adopted in connection with the 2021 LRDP and Housing Project #1 and #2 EIR.

(3) Approve the design of the Bechtel Engineering Center Renovation and Addition project, Berkeley campus.

Committee vote: Regents Cohen, Drake, Kounalakis, Leib, Makarechian, Pouchot, Reilly, and Sherman voting “aye.”

Board vote: Regents Anguiano, Batchlor, Blas Pedral, Chu, Cohen, Drake, Elliott, Kounalakis, Leib, Makarechian, Matosantos, Ortiz Oakley, Park, Reilly, Sures, Thurmond, and Timmons voting “aye.”

3. AMENDMENT OF PRELIMINARY PLANS FUNDING AND EXTERNAL FINANCING FOR THE ENTIRE PROJECT; WORKING DRAWINGS AND CONSTRUCTION FUNDING, SCOPE, AND DESIGN FOLLOWING ACTION PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT FOR THE SITE AND MAKE-READY WORK PORTION OF THE PROJECT; PARNASSUS RESEARCH AND ACADEMIC BUILDING AND WEST CAMPUS SITE IMPROVEMENTS, SAN FRANCISCO CAMPUS

The Committee recommends that:

A. The 2022-23 Budget for Capital Improvements and the Capital Improvement Program be amended to include the following project:

From: San Francisco: Parnassus Research and Academic Building and West Campus Site Improvements – preliminary plans – $32 million funded from campus funds.
To: San Francisco: Parnassus Research and Academic Building and West Campus Site Improvements – preliminary plans with working drawings, and construction for the Site and Make Ready Work portion – $98.4 million funded from external financing.

B. The scope of the Site and Make-Ready Work portion for the Parnassus Research and Academic Building and West Campus Site Improvements project be approved, including exterior abatement and demolition of UC Hall (148,000 gross square feet), site stabilization and shoring, relocation of utility infrastructure, securing site perimeter with fencing and rerouting pedestrian traffic, and ordering of long-lead-time items and materials (e.g., select mechanical and electrical equipment, structural steel and other raw materials).

C. The President of the University be authorized to obtain external financing for the Parnassus Research and Academic Building and West Campus Site Improvements project in an amount not to exceed $98.4 million 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) 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.

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

D. Following review and consideration of the environmental consequences of the proposed Site and Make-Ready Work portion of the Parnassus Research and Academic Building and West Campus Site 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 48 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 CEQA Findings for the Site and Make-Ready Work portion of the Parnassus Research and Academic Building and West Campus Site Improvements project.

   (2) Make a condition of approval the implementation of applicable mitigation measures within the responsibility and jurisdiction of the San Francisco campus as identified in the Mitigation Monitoring and Reporting Program adopted in connection with the Comprehensive Parnassus Heights Plan Final Environmental Impact Report.
(3) Approve the design of the Site and Make-Ready Work portion of the Parnassus Research and Academic Building and West Campus Site Improvements project.

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

Committee vote: Regents Cohen, Drake, Kounalakis, Makarechian, Pouchot, Reilly, and Sherman voting “aye.”

Board vote: Regents Anguiano, Batchlor, Blas Pedral, Chu, Cohen, Drake, Elliott, Kounalakis, Leib, Makarechian, Matosantos, Ortiz Oakley, Park, Reilly, Sures, Thurmond, and Timmons voting “aye.”