FINANCE AND CAPITAL STRATEGIES COMMITTEE
September 21, 2023

TO THE REGENTS OF THE UNIVERSITY OF CALIFORNIA

1. CONSENT AGENDA

A. External Financing Related to the 2023 State Budget Act

The Committee recommends that:

(1) The 2023-24 Budget for Capital Improvements and the Capital Improvement Program be amended as follows:

a. UC Riverside Campus Expansion Project

From: Riverside: Undergraduate Teaching and Learning Facility – preliminary plans– $6.8 million to be funded from State General Funds.

To: Riverside: Undergraduate Teaching and Learning Facility – preliminary plans– $6.8 million to be funded from external financing supported by State General Funds for the UC Riverside Campus Expansion Project.

b. UC Berkeley Clean Energy Project

From: Berkeley: Heathcock Hall – preliminary plans, working drawings, construction, and equipment – $150 million to be funded by gift funds ($90 million); campus funds ($30 million); and State funds ($30 million).

To: Berkeley: Heathcock Hall – preliminary plans, working drawings, construction, and equipment – $150 million to be funded by gift funds ($90 million); campus funds ($30 million); and external financing supported by State General funds for the UC Berkeley Clean Energy Project ($30 million).

c. UC Higher Education Student Housing Grant Program

i. From: Santa Cruz: Kresge College Non-Academic – preliminary plans, working drawings, construction, and equipment – $429,594,000 to be funded by State funding from the Higher Education Student Housing Grant Program ($89 million), Auxiliary –
Student Housing/Dining reserves ($8.5 million), Auxiliary – Student Fee Reserves (University Fee Reserves) ($1.2 million), Auxiliary – Parking reserves ($100,000), General Campus Funds ($28,666,000), external financing supported by Student Housing/Dining ($295,325,000), and external financing from Century Bonds ($6,803,000).

To: Santa Cruz: Kresge College Non-Academic – preliminary plans, working drawings, construction, and equipment – $429,594,000 to be funded by external financing supported by State General funds for the Higher Education Student Housing Grant Program ($89 million), Auxiliary – Student Housing/Dining reserves ($8.5 million), Auxiliary – Student Fee Reserves (University Fee Reserves) ($1.2 million), Auxiliary – Parking reserves ($100,000), General Campus Funds ($28,666,000), external financing supported by Student Housing/Dining ($295,325,000), and external financing from Century Bonds ($6,803,000).

ii. From: Irvine: Mesa Court Residence Hall Expansion – design, construction, and equipment – $80,659,000 to be funded from Higher Education Student Housing Grant funds ($65 million), external financing ($14,779,000), and auxiliary reserves ($880,000).

To: Irvine: Mesa Court Residence Hall Expansion – design, construction, and equipment – $80,659,000 to be funded from external financing supported by State General funds for the Higher Education Student Housing Grant Program ($65 million), external financing ($14,779,000), and auxiliary reserves ($880,000).

iii. From: San Diego: Pepper Canyon West Student Housing – preliminary plans, working drawings, construction, and equipment – $385 million to be funded with external financing ($382.5 million), auxiliary-housing reserves from the Office of the President Housing Assistance Program ($1 million), and campus funds ($1.5 million).
To: San Diego: Pepper Canyon West Student Housing – preliminary plans, working drawings, construction, and equipment – $385 million to be funded with external financing ($282.5 million), external financing supported by State General funds for the Higher Education Student Housing Grant Program ($100 million), auxiliary-housing reserves from the Office of the President Housing Assistance Program ($1 million), and campus funds ($1.5 million).

(2) External financing be approved in an amount not to exceed $6.8 million plus related interest expense and additional related financing costs to finance the Riverside campus’s Undergraduate Teaching and Learning Facility project. The following requirements shall be satisfied:

a. The primary source of repayment shall be from State General fund appropriations. 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.

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

(3) External financing be approved in an amount not to exceed $30 million plus related interest expense and related financing costs to finance the Berkeley campus’s Heathcock Hall project. The following requirements shall be satisfied:

a. The primary source of repayment shall be from State General fund appropriations. 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.

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

(4) Additional external financing be approved in an amount not to exceed $89 million plus related interest expense and additional related financing costs to finance the Santa Cruz campus’s Kresge Non-Academic project. The following requirements shall be satisfied:

a. The primary source of repayment shall be from State General fund appropriations. 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.

b. The general credit of the Regents shall not be pledged.
Additional external financing be approved in an amount not to exceed $65 million plus related interest expense and related financing costs to finance the Irvine campus’s Mesa Court Residence Hall Expansion project. The following requirements shall be satisfied:

a. The primary source of repayment shall be from State General fund appropriations. 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.

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

The primary source of repayment of approved external financing be amended in an amount not to exceed $100 million plus related interest expense and additional related financing costs to finance the San Diego campus’s Pepper Canyon West Student Housing project as follows. The following requirements shall be satisfied:

a. The primary source of repayment shall be from State General fund appropriations. 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.

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

B. **Preliminary Plans Funding, 2200 Bancroft Housing Project, Berkeley Campus**

The Committee recommends that the 2023-24 Budget for Capital Improvements and the Capital Improvement Program be amended to include the following project:

Berkeley: 2200 Bancroft Housing Project – preliminary plans – $7.06 million to be funded with campus funds.

C. **Preliminary Plans Funding, Parnassus Central Campus Site Improvements, San Francisco Campus**

The Committee recommends that the 2023-24 Budget for Capital Improvements and the Capital Improvement Program be amended to include the following project:

San Francisco: Parnassus Central Campus Site Improvements – preliminary plans – $4.1 million funded from campus funds.
D. **Integrated Form of Agreement and Procurement Strategy, UCSF Benioff Children’s Hospital Oakland New Hospital Building, San Francisco Campus**

The Committee recommends that:

1. The proposed Integrated Form of Agreement (IFOA) procurement methodology for the design, construction, and development of the UCSF Benioff Children’s Hospital Oakland New Hospital Building project, based on selection premised upon a combination of qualifications and business terms 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.

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

Committee vote: Regents Cohen, Makarechian, Matosantos, Pérez, Reilly, Robinson, Sherman, and Sures voting “aye.”

Board vote on items A, B, and D: Regents Anguiano, Batchlor, Chu, Cohen, Drake, Ellis, Kounalakis, Leib, Makarechian, Matosantos, Park, Raznick, Reilly, Robinson, Sarris, Sherman, and Tesfai voting “aye.”

Board vote on item C: Regents Anguiano, Batchlor, Cohen, Drake, Ellis, Kounalakis, Leib, Makarechian, Matosantos, Park, Raznick, Reilly, Robinson, Sarris, Sherman, and Tesfai voting “aye” and Regent Chu abstaining.

2. **PRELIMINARY PLANS FUNDING, RONALD REAGAN UCLA MEDICAL CENTER FOURTH FLOOR PATIENT CARE RECONFIGURATION, UCLA HEALTH, LOS ANGELES CAMPUS**

The Committee recommends that the 2023-24 Budget for Capital Improvements and the Capital Improvement Program be amended to include the following project:

Los Angeles: Ronald Reagan UCLA Medical Center Fourth Floor Patient Care Reconfiguration, UCLA Health – preliminary plans – $9 million to be funded with hospital reserves.

Committee vote: Regents Cohen, Drake, Kounalakis, Makarechian, Pérez, Reilly, Sherman, and Sures voting “aye.”
3. **BUDGET, SCOPE, EXTERNAL FINANCING, AND DESIGN FOLLOWING CONSIDERATION OF AN ADDENDUM TO THE CHILDREN’S HOSPITAL AND RESEARCH CENTER OAKLAND CAMPUS MASTER PLAN ENVIRONMENTAL IMPACT REPORT PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT, UCSF BENIOFF CHILDREN’S HOSPITAL OAKLAND INFRASTRUCTURE IMPROVEMENTS, SAN FRANCISCO CAMPUS**

The Committee recommends that:

A. The 2023-24 Budget for Capital Improvements and the Capital Improvement Program be amended to include the following project:

   - **From:** San Francisco: UCSF Benioff Children’s Hospital Oakland Infrastructure Improvements – preliminary plans – $3 million funded from hospital reserves.
   - **To:** San Francisco: UCSF Benioff Children’s Hospital Oakland Infrastructure Improvements – preliminary plans, working drawings, construction, and equipment – $66 million funded from external financing.

B. The scope of the UCSF Benioff Children’s Hospital Oakland Infrastructure Improvements project be approved to include demolition and relocation of Pacific Gas and Electric power lines and a California Department of Transportation retaining wall, disconnection of utilities and exiting connections to the AB and BC Buildings, and renovation of space in the Outpatient Center, 5700 Martin Luther King, and 4242 Broadway locations.

C. The President of the University be authorized to obtain external financing for the UCSF Benioff Children’s Hospital Oakland Infrastructure Improvements project in an amount not to exceed $66 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 UCSF Health 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 UCSF Benioff Children’s Hospital Oakland Infrastructure 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 UCSF Benioff Children’s Hospital Oakland Infrastructure Improvements project, having considered the Children’s Hospital and Research Center Oakland Campus Master Plan Project Final Environmental Impact Report (CMP Final EIR) and Addendum No. 2 to the Final EIR.

2. Adopt the Mitigation Monitoring and Reporting Program for the UCSF Benioff Children’s Hospital Oakland Infrastructure Improvements project and make a condition of approval the implementation of applicable mitigation measures within the responsibility and jurisdiction of the San Francisco campus.

3. Approve the design of the UCSF Benioff Children’s Hospital Oakland Infrastructure Improvements project, San Francisco campus.

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, Kounalakis, Makarechian, Matosantos, Pérez, Reilly, Robinson, Sherman, and Sures voting “aye.”

Board vote: Regents Anguiano, Batchlor, Chu, Cohen, Drake, Ellis, Kounalakis, Leib, Makarechian, Matosantos, Park, Raznick, Reilly, Robinson, Sarris, Sherman, and Tesfai voting “aye.”

4. **BUDGET, SCOPE, EXTERNAL FINANCING, AND DESIGN FOLLOWING CONSIDERATION OF AN ADDENDUM TO THE COMPREHENSIVE PARNASSUS HEIGHTS PLAN ENVIRONMENTAL IMPACT REPORT PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT, PARNASSUS RESEARCH AND ACADEMIC BUILDING AND WEST CAMPUS SITE IMPROVEMENTS, SAN FRANCISCO CAMPUS**

The Committee recommends that:
A. The 2023-24 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 for the entire project with working drawings, and construction for the Site and Make Ready Work portion– $98.4 million funded from external financing.

To: San Francisco: Parnassus Research and Academic Building and West Campus Site Improvements – preliminary plans, working drawings, construction, and equipment for the entire project – $843.1 million funded from external financing ($428.1 million) and gifts ($415 million).

B. The scope of the Parnassus Research and Academic Building and West Campus Site Improvements project be approved to include the construction of a nine-story, approximately 323,000-gross-square-foot (GSF) new academic and research building, including the demolition of UC Hall (148,000 GSF), and extensive site improvements to the west campus area (approximately 1.65 acres) including a new primary east-west pedestrian artery (Promenade).

C. The President of the University be authorized to obtain additional external financing for the Parnassus Research and Academic Building and West Campus Site Improvements project of $329.7 million for a total not to exceed $428.1 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 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 Parnassus Research and Academic
Building and West Campus Site Improvements project, having considered both the previously certified Comprehensive Parnassus Heights Plan Final Environmental Impact Report (CPHP Final EIR) and the Addendum #1 to the CPHP Final EIR.

(2) Adopt the Parnassus Research and Academic Building and West Campus Site Improvements Mitigation Monitoring and Reporting Program and make a condition of approval the implementation of applicable mitigation measures within the responsibility and jurisdiction of the San Francisco campus.

(3) Approve the design of the Parnassus Research and Academic Building and West Campus Site Improvements project, San Francisco campus.

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, Matosantos, Pérez, Reilly, Robinson, Sherman, and Sures voting “aye.”

Board vote: Regents Anguiano, Batchlor, Cohen, Drake, Ellis, Kounalakis, Leib, Makarechian, Matosantos, Park, Raznick, Reilly, Robinson, Sarris, Sherman, and Tesfai voting “aye” and Regent Chu abstaining.

5. DESIGN FOLLOWING CONSIDERATION OF AN ADDENDUM TO THE 2018 LONG RANGE DEVELOPMENT PLAN ENVIRONMENTAL IMPACT REPORT PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT, SCIENCE RESEARCH PARK, SAN DIEGO CAMPUS

The Committee recommends that:

A. Following review and consideration of the environmental consequences of the proposed Science Research Park 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 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 Science Research Park project, having considered the 2018 Long Range Development Plan (LRDP) Environmental Impact Report (EIR) for the La Jolla Campus and Addendum No. 13 to the 2018 LRDP EIR for the Science Research Park project.
(2) 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.

(3) Approve the development concept update and design of the Science Research Park project, San Diego campus.

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

Board vote: Regents Anguiano, Batchlor, Chu, Cohen, Drake, Ellis, Kounalakis, Leib, Makarechian, Matosantos, Park, Raznick, Reilly, Robinson, Sarris, Sherman, and Tesfai voting “aye.”

6. BUDGET, SCOPE, EXTERNAL FINANCING, AND DESIGN FOLLOWING CONSIDERATION OF AN ADDENDUM TO THE NORTH DISTRICT DEVELOPMENT PLAN ENVIRONMENTAL IMPACT REPORT PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT, NORTH DISTRICT PHASE 2, RIVERSIDE CAMPUS

The Committee recommends that:

A. The 2023-24 Budget for Capital Improvements and the Capital Improvement Program be amended as follows:

From: Riverside: North District Phase 2 – preliminary plans – $8,275,000 funded from campus funds.

To: Riverside: North District Phase 2 – preliminary plans, working drawings, construction, and equipment – $348.7 million to be funded from external financing supported by State General Funds for the Higher Education Student Housing Grant Program ($126 million), external financing ($217.7 million), and campus funds ($5 million).

B. The scope of the North District Phase 2 project be approved. The project shall provide an approximately 436,000-gross-square-foot new housing facility, including approximately 1,568 new beds. The scope includes student housing support services, associated parking, and site amenities serving the entire North District Development (e.g., recreational fields), furniture and equipment, and related site work and utilities.
C. The President of the University be authorized to obtain external financing in an amount not to exceed $217.7 million, plus additional related financing costs to finance the North District Phase 2 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 from the Riverside 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. The President be authorized to obtain additional external financing in an amount not to exceed $126 million, plus related interest expense and additional financing costs to finance the North District Phase 2 project. The President shall require that:

(1) The primary source of repayment shall be from State General Fund appropriations. 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.

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

E. Following review and consideration of the environmental consequences of the proposed North District Phase 2 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 North District Phase 2 project, having considered both the North District Development Plan Environmental Impact Report (EIR) and Addendum No. 1 to the EIR for the North District Development Plan.

(2) Make a condition of approval implementation of the applicable mitigation measures within the responsibility and jurisdiction of UC Riverside as amended in the Mitigation Monitoring and Reporting Program adopted in connection with the North District Plan EIR.

(3) Approve the design of the North District Phase 2 project, Riverside campus.
F. The President or his designee be authorized, in consultation with the General Counsel, to execute all documents necessary in connection with the above. This would include any agreements between the Regents and Riverside Community College District or the California Community Colleges Chancellor’s Office related to the design, development, construction, financing, and long-term management, or operations and maintenance of the North District Phase 2 project.

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

Board vote: Regents Anguiano, Batchlor, Chu, Cohen, Drake, Ellis, Kounalakis, Leib, Makarechian, Matosantos, Park, Raznick, Reilly, Robinson, Sarris, Sherman, and Tesfai voting “aye.”