

FINANCE AND CAPITAL STRATEGIES COMMITTEE

September 19, 2024

TO THE REGENTS OF THE UNIVERSITY OF CALIFORNIA

1. **CONSENT AGENDA**

A. ***La Jolla Outpatient Pavilion, San Diego Campus: Preliminary Plans Funding***

The Committee recommends that the Regents amend the 2024-25 Budget for Capital Improvements and the Capital Improvement Program to include:

San Diego: La Jolla Outpatient Pavilion – preliminary plans – \$30 million, to be funded from hospital reserves.

B. ***Falling Leaves Foundation Medical Innovation Building, Irvine Campus: Budget Amendment And Interim Financing***

The Committee recommends that:

- (1) The 2024-25 Budget for Capital Improvements and the Capital Improvement Program be amended as follows:

From: Irvine: Falling Leaves Foundation Medical Innovation Building – design, construction, and equipment – \$249,999,000 to be funded from gifts (\$50 million), external financing (\$139,999,000 million), and campus funds (\$60 million).

To: Irvine: Falling Leaves Foundation Medical Innovation Building – design, construction, and equipment – \$262,599,000 million to be funded from gifts (\$62.6 million), external financing (\$139,999,000 million), and campus funds (\$60 million).

- (2) The President of the University be authorized to obtain additional interim financing of \$5,284,000 for a total amount not to exceed \$24,584,000 plus additional related financing costs to finance the Falling Leaves Foundation Medical Innovation Building and declare that external financing may be used to reimburse prior expenditures. The Irvine campus shall satisfy the following requirements:

- a. Interest only, based on the amount drawn, shall be paid on the outstanding balance during the construction period.
- b. To the extent additional gifts and other funds are received as cash, the amount of interim financing will be reduced. To the extent

additional gifts are received as documented pledges, the interim financing will be converted to standby financing.

- c. If gifts or pledges or both are not received within five years from the initial financing draw in the full amount of the outstanding interim financing, the amount of outstanding interim financing in excess of the amount of gifts and pledges received will be converted to long-term external financing or the Irvine campus will pay down, within a reasonable time, the amount of outstanding interim financing in excess of the amount of gifts and pledges received.
- d. As long as the debt is outstanding, the general revenues of the Irvine campus shall be maintained in amounts sufficient to pay the debt service and to meet the related requirements of the authorized financing.
- e. The general credit of the Regents shall not be pledged.
- f. Any reimbursements will meet all requirements set forth in Treasury Regulations Section 1.150-2.

C. *Funding Reallocation, UC Davis Health: External Financing Approval, Sacramento Ambulatory Surgery Center and Folsom Medical Office Building*

The Committee recommends that:

- (T) The 2024-25 Budget for Capital Improvements and the Capital Improvement Program be amended as follows:

From: Davis: Sacramento Ambulatory Surgery Center (“The 48X Complex”) – preliminary plans, working drawings, construction, and equipment – \$589 million to be funded from hospital reserves (\$289 million) and external financing (\$300 million).

To: Davis: The 48X Complex – preliminary plans, working drawings, construction, and equipment – \$569,698,000 to be funded from external financing.

- (2) The President of the University be authorized to obtain additional external financing of \$269,698,000 in a total amount not to exceed \$569,698,000 to finance the 48X Complex plus additional related financing costs and declare that external financing may be used to reimburse prior expenditures. 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 revenues of UC Davis Health 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.
- d. Any reimbursements will meet all requirements set forth in Treasury Regulations Section 1.150-2.

- (3) The 2024-25 Budget for Capital Improvements and the Capital Improvement Program be amended as follows:

From: Davis: Folsom Medical Office Building for the Folsom Center for Health – preliminary plans, working drawings, construction, and equipment – \$182.54 million to be funded from hospital reserves (\$81.74 million) and external financing (\$100.8 million).

To: Davis: Folsom Medical Office Building – preliminary plans, working drawings, construction, and equipment – \$182.54 million to be funded from hospital reserves (\$36.54 million) and external financing (\$146 million).

- (4) The President be authorized to obtain additional external financing of \$45.2 million in a total amount not to exceed \$146 million to finance the Folsom Medical Office Building plus additional related financing costs and declare that external financing may be used to reimburse prior expenditures. 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 revenues of UC Davis Health 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.
- d. Any reimbursements will meet all requirements set forth in Treasury Regulations Section 1.150-2.

Committee vote: Regents Cohen, Drake, Elliott, Lee, Makarechian, Matosantos, Pérez, Reilly, and Sherman voting “aye.”

Board vote: Regents Beharry, Cohen, Drake, Lee, Makarechian, Matosantos, Pack, Reilly, Robinson, Salazar, and Sarris voting “aye.”

2. UCSF CLINICAL AND LIFE SCIENCES BUILDING, SAN FRANCISCO CAMPUS: AMENDMENT NUMBER 12 TO THE UC SAN FRANCISCO 2014 LONG RANGE DEVELOPMENT PLAN AND DESIGN FOLLOWING ADOPTION OF FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT

The Committee recommends that the Regents, following review and consideration of the environmental consequences of the UCSF Clinical and Life Sciences 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 the Regents meeting, testimony or written materials presented to the Regents during the scheduled public comment period, and the item presentation, and following review and consideration of the previously certified Potrero Power Station Mixed-Use Development Project Final Environmental Impact Report (PPS Final EIR) (State Clearinghouse #2017112005), certified by the City of San Francisco on January 30, 2020, of which the proposed UCSF Clinical and Life Sciences Building project is a part:

- A. Determine that the proposed project is consistent with the PPS Final EIR and that no further environmental analysis pursuant to CEQA is required, and adopt the CEQA Findings for the UCSF Clinical and Life Sciences Building project.
- B. Make a condition of approval the implementation of applicable mitigation measures within the responsibility and jurisdiction of the San Francisco campus.
- C. Approve Amendment No. 12 to the UCSF’s 2014 Long Range Development Plan (LRDP) to include the project site in LRDP Chapter 10, Smaller Owned Sites.
- D. Approve the design of the UCSF Clinical and Life Sciences Building project, San Francisco campus.

Committee vote: Regents Cohen, Drake, Elliott, Lee, Makarechian, Matosantos, Pérez, Reilly, and Sherman voting “aye.”

Board vote: Regents Beharry, Cohen, Drake, Lee, Makarechian, Matosantos, Pack, Reilly, Robinson, Salazar, and Sarris voting “aye.”

3. **PARNASSUS CENTRAL CAMPUS SITE IMPROVEMENTS, SAN FRANCISCO CAMPUS: BUDGET, SCOPE, EXTERNAL FINANCING, AND DESIGN FOLLOWING ADOPTION OF FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT**

The Committee recommends that:

- A. The 2024-25 Budget for Capital Improvements and the Capital Improvement Program be amended as follows:

From: San Francisco: Parnassus Central Campus Site Improvements – preliminary plans – \$4,615,000, funded from campus funds and transferred to the plant expenditure ledger.

To: San Francisco: Parnassus Central Campus Site Improvements – preliminary plans, working drawings, and construction – \$125,895,000, funded from external financing (\$90,895,000) and campus funds transferred to the plant expenditure ledger (\$35 million).

- B. The scope of the Parnassus Central Campus Site Improvements project be approved. The project shall provide site improvements in the central core of the Parnassus Heights campus site, including extending utilities to existing and future buildings and demolishing the School of Nursing Building.

- C. The President of the University be authorized to obtain external financing in an amount not to exceed \$90,895,000 plus additional related financing costs to finance the Parnassus Central Campus Site Improvements project and declare that external financing may be used to reimburse prior expenditures. 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.

(4) Any reimbursements will meet all requirements set forth in Treasury Regulations Section 1.150-2.

- D. Following review and consideration of the environmental consequences of the Parnassus Central 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 CEQA Findings for the Parnassus Central Campus Site Improvements project, having considered the previously certified Comprehensive Parnassus Heights Plan Final Environmental Impact Report (CPHP Final EIR).
- (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 CPHP Final EIR.
- (3) Approve the design of the Parnassus Central Campus Site Improvements project, San Francisco campus.

Committee vote: Regents Cohen, Drake, Elliott, Lee, Makarechian, Matosantos, Pérez, Reilly, and Sherman voting “aye.”

Board vote: Regents Beharry, Cohen, Drake, Lee, Makarechian, Matosantos, Pack, Reilly, Robinson, Salazar, and Sarris voting “aye.”