

The Regents of the University of California

**COMMITTEE ON FINANCE  
COMMITTEE ON GROUNDS AND BUILDINGS**

January 19, 2000

The Committee on Finance and the Committee on Grounds and Buildings met jointly on the above date at UCSF - Laurel Heights, San Francisco.

Members present:     Representing the Committee on Finance: Regents Atkinson, Davies, Hopkinson, S. Johnson, Lee, Montoya, Pannor, and Preuss; Advisory member Miura  
                              Representing the Committee on Grounds and Buildings: Regents Atkinson, Davies, Hopkinson, S. Johnson, Kozberg, Lee, and Pannor; Advisory member Kohn

In attendance:         Regents Khachigian, Leach, Moores, Nakashima, Taylor, and Vining, Faculty Representatives Coleman and Cowan, Secretary Trivette, General Counsel Holst, Assistant Treasurer Young, Provost King, Senior Vice President Kennedy, Vice Presidents Broome, Darling, Gomes, and Hershman, Chancellors Berdahl, Bishop, Carnesale, Cicerone, Dynes, Greenwood, Orbach, Tomlinson-Keasey, Vanderhoef, and Yang, and Recording Secretary Bryan

The meeting convened at 8:40 a.m. with Committee on Finance Chair S. Johnson presiding.

1.     **AMENDMENT OF THE BUDGET FOR CAPITAL IMPROVEMENTS AND THE CAPITAL IMPROVEMENT PROGRAM, AND AMENDMENT OF EXTERNAL FINANCING FOR UNDERGRADUATE HOUSING EXPANSION, IRVINE CAMPUS**

The President recommended that:

A.     The Committee on Grounds and Buildings recommend that, subject to the concurrence of the Committee on Finance, the appropriate Budgets for Capital Improvements and Capital Improvement Programs be amended as follows:

From:             Irvine: A. Undergraduate Housing Expansion – preliminary plans, working drawings, construction, and equipment – \$37,750,000 to be funded from external financing.

To: Irvine: C. Undergraduate Housing Expansion – preliminary plans, working drawings, construction, and equipment – \$53,444,000 to be funded from external financing.

- B. The Committee on Finance concur with the recommendation of the Committee on Grounds and Buildings to include this project, as described in A. above.
- C. The Committee on Finance recommend that the financing actions approved by The Regents in June 1998 with respect to the Undergraduate Housing Expansion, Irvine campus, be amended as shown below, with the understanding that all other financing actions of The Regents regarding said project remain unchanged:

**deletions shown by strikeout, additions by shading**

- (1) Funding for the Undergraduate Housing Expansion, Irvine campus, be approved as follows:

External financing	<del>\$37,750,000</del>	\$53,444,000
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- (2) The Treasurer be authorized to obtain external financing not to exceed ~~\$37,750,000~~ \$53,444,000 to finance the construction and related costs of the Undergraduate Housing Expansion, Irvine campus, subject to the following conditions:

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The Committee was informed that the proposed action will accomplish four goals: increase the number of new beds in the Mesa Court complex by 192; renovate the existing Mesa Court dining facility; expand the community center; and add two apartments to house additional professional on-site housing supervisors. The square footage will increase by 41 percent and the budget by 42 percent.

At the June 1998 meeting, The Regents approved the Undergraduate Housing Expansion project for the Irvine campus at a total project cost of \$37,750,000 to be funded from external financing. The project was comprised of two components of undergraduate housing expansion: construction of 232 new beds in the existing Middle Earth complex and construction of 428 beds in the Mesa Court complex (160 replacement beds, following demolition of several seismically deficient buildings, and 268 new beds). The development plan is occurring in two phases, with the expansion of the Middle Earth complex proceeding first to offset the temporary loss of beds that will occur when the 160 beds in the seismically deficient buildings are demolished.

During the Regents' project design review of the Middle Earth complex, members of the Committee on Grounds and Buildings requested that the campus investigate the possibility of building additional beds to meet the growing demand for student housing. As a result of those discussions, the design approved in September 1998 included 48 new beds added to the Middle Earth complex with no change in the budget.

In order to further expand housing capacity, given forecast enrollments, the campus now proposes to increase the scope and budget of the Mesa Court component to construct a total of 620 beds and related support spaces and to renovate and expand the existing dining hall. Overall, both components of the project will construct a total of 900 beds.

#### Housing Demand/Project Augmentation Justification

The Undergraduate Housing Expansion project was originally proposed and approved in response to the growing demand for undergraduate on-campus housing at UCI. The campus has an especially acute need for additional residence hall beds in the central campus core to house growing numbers of incoming freshmen. To help meet current demand, the campus has increased the capacity of the existing residence halls by adding beds to double occupancy rooms to create triple occupancy rooms and by converting other common areas into usable bedrooms. As a result, the fall 1999 residence hall occupancy rate reached 107 percent of the design capacity. Further, in an effort to guarantee housing to incoming freshmen, the campus has been forced to limit significantly the number of residence hall rooms offered to returning students and to operate a lottery for the available spaces. Despite these measures, the current residence hall waiting list exceeds 500 undergraduates.

The housing demand assessment in the original project plan indicated that, even with completion of the Undergraduate Housing Expansion project in 2002-03, the campus would have an immediate shortfall of 552 undergraduate beds. The demand assessment was based on growth projections that anticipated an undergraduate enrollment of 14,950 FTE in 2002-03; however, the actual rate of growth has surpassed earlier expectations, and the campus' undergraduate enrollment has reached 14,770 FTE. Based on information provided by the Department of Finance, the University is in the process of developing new enrollment forecasts and determining related housing demand using the department's significantly higher growth projections. Preliminary estimates indicate that UCI's undergraduate enrollment could increase at an average rate of over 700 students per year, resulting in approximately 2,000 additional undergraduate students by 2002-03.

In response to the accelerated enrollment growth, studies were undertaken during the Mesa Court design phase to assess the potential for increasing the number of beds that could be constructed. It was determined that 192 additional beds could be built on the site without significant impact to the surrounding community. The total new bed spaces proposed will match residence hall bed supply with current demand. New housing projects will be

submitted for approval once new enrollment projections are complete. It was also determined that in order effectively to serve the resulting Mesa Court population of nearly 1,700 students, the dining commons will require renovation and minor expansion, and additional support facilities will need to be provided.

#### Project Description/Scope Changes

The following four components will be added or changed as a result of this action:

- Three additional residence halls comprising 192 beds and related support spaces will be constructed, bringing the Mesa Court component of the project to a total of 620 beds. These beds will be designed in suites composed of double bedrooms, a study room, and bathroom facilities consistent with the program approved in the original project. Community support spaces such as laundry facilities, group living rooms, and storage spaces will be included.
- The existing 35-year-old dining commons will be renovated and enlarged to accommodate the resulting Mesa Court population of almost 1,700 residents. In addition, the building will be brought into compliance with the Americans with Disabilities Act.
- The community center approved in the original project scope will be enlarged to serve the expanded residential community. This area will be built as large, open spaces to be used as academic study areas, computer work areas, and recreational spaces. It will become part of the core support space in Mesa Court and will be available for use by all complex residents.
- Two apartments will be added to the project to house additional professional on-site housing supervisors.

In accordance with the California Environmental Quality Act and the University of California procedures for the implementation of CEQA, appropriate environmental documentation will be prepared to analyze the potential environmental effects of the revised project. This document will be presented to The Regents for review in conjunction with consideration of the balance of project design.

#### Financial Feasibility

The revised total project cost is estimated at \$53,444,000, to be funded from external financing. Based on a debt of \$53,444,000 at 6.5 percent interest amortized over 27 years, the average annual debt service will be \$4,250,000. Annual operating expenses are estimated at \$2,559,000, for a total annual expense of \$6,809,000. Repayment of the debt

will be from student rents generated by the proposed addition and from existing UCHS undergraduate residence hall bed spaces at the Irvine campus. The rate for the undergraduate residence hall bed spaces is projected to be \$7,295 per year (room and board for 9 months) for the first full year of occupancy (2003-04). This annual rate remains below local market rates. The rate increase will be approximately \$640 per year for the existing spaces.

In response to a question from Regent Montoya, Chancellor Cicerone indicated that the campus administration would determine the number of on-campus housing supervisors and inform her of their ratio to residential students.

Upon motion duly made and seconded, the Committees approved the President's recommendations and voted to present them to the Board.

2. **AMENDMENT OF THE BUDGET FOR CAPITAL IMPROVEMENTS AND THE CAPITAL IMPROVEMENT PROGRAM, AND APPROVAL OF EXTERNAL FINANCING FOR PHYSICS AND ASTRONOMY BUILDING, LOS ANGELES CAMPUS**

The President recommended that:

- A. The Committee on Grounds and Buildings recommend that, subject to the concurrence of the Committee on Finance, the 1999-2000 Budget for Capital Improvements and the 1999-2002 Capital Improvement Program be amended to include the following project:

Los Angeles: G. Physics and Astronomy Building – preliminary plans, working drawings, and construction – \$39,345,000 to be funded from external financing (\$34,566,000) and campus funds (\$4,779,000).

- B. The Committee on Finance concur with the recommendation of the Committee on Grounds and Buildings to include this project, as described in A. above.

- C. The Committee on Finance recommend that:

- (1) Funding for the Physics and Astronomy Building project, Los Angeles campus, estimated at \$39,345,000, be approved as follows:

<u>Fund Source</u>	<u>Amount</u>
External Financing	\$34,566,000
Campus Funds	<u>4,779,000</u>

Total \$39,345,000

- (2) The Treasurer be authorized to obtain financing not to exceed \$34,566,000 to finance the Physics and Astronomy Building project, subject to the following conditions:
  - a. Interest only, based on the amount drawn down, shall be paid on the outstanding balance during the construction period;
  - b. Repayment of the debt shall be from the Los Angeles campus' share of the University Opportunity Fund; and
  - c. The general credit of The Regents shall not be pledged.
- (3) The Officers of The Regents be authorized to provide certification to the lender that interest paid by The Regents is excluded from gross income for purposes of federal income taxation under existing law.
- (4) The Officers of The Regents be authorized to execute all documents necessary in connection with the above.

It was recalled that the Department of Physics and Astronomy was formed in 1994 by the consolidation of the Department of Physics and the Department of Astronomy of the UCLA College of Letters and Science. The department is scattered in four core campus buildings, which is a major impediment to its collaborative teaching and research mission.

Knudsen Hall is the department's primary, core campus building and accommodates research lab and office space. Adjacent to Knudsen is the Plasma Physics Building, which accommodates experimental research and shop space. Kinsey Hall contains the department's class labs and additional shop space, and Math Sciences contains the former Department of Astronomy's offices, labs, planetarium, and telescope rooms. In addition, the department occupies the new Science and Technology Research Building on the southwest campus where high-bay experimental research lab space is located, and a portion of the Red Cross Building contains storage space.

The Department's core campus buildings no longer support its academic mission. Knudsen Hall, a six-story building constructed in 1963, lacks the infrastructure for advanced experimentation and teaching in the physical sciences. While seismically strengthened in 1998, Knudsen lacks the vibrational stability and fume hood space to conduct experiments in condensed matter physics and biophysics. The Plasma Physics Building, a one-story building constructed in 1948, has deteriorative infrastructure and research space that is inconsistent with today's research needs. Kinsey Hall's infrastructure and design do not

support the high-precision experimentation and multi-media technologies required in the Department's class labs and classrooms. Furthermore, Kinsey has not been seismically upgraded since it was constructed in 1929. It will be vacated for State-funded seismic repairs and renovations in summer 2003. The Math Sciences Building is remote from the balance of the Department. Due to these deficiencies, the Department has not been able to achieve growth in its research and contract grant awards to match the increasing quality of the faculty during the past ten years.

Under this project, the one-story Plasma Physics Building will be demolished and its occupants permanently relocated to the Science and Technology Research Building, within existing space assigned to the Department of Physics and Astronomy. A Physics and Astronomy Building will be constructed adjacent to Knudsen Hall, on the existing site of the Plasma Physics Building. This will allow the Department to consolidate its core campus space in the proposed building and Knudsen Hall, leaving only the highly specialized shop and planetarium functions in the Kinsey and the Math Sciences buildings, respectively.

This project was previously described within the context of FEMA/State Reconstruction and Staging Projects, Los Angeles campus, as presented to The Regents in November 1999. As presented at that time, the Physics and Astronomy Building and Hershey Hall were proposed to house the occupants of Kinsey Hall as that renovation project is undertaken.

#### Proposed Project

The new building will provide general academic classrooms configured and equipped to support the Department's teaching needs; consolidate and expand the Department's laboratories capable of supporting high-precision experiments; consolidate the Department's core campus academic and administrative office space; and provide additional office support, including conference, commons, and interactive space, to support a collaborative work environment between faculty, students, and staff. Furthermore, the proposed building will permit greater flexibility to accommodate portions of Kinsey Hall when that building undergoes seismic renovation, eliminating the need for additional temporary staging space.

#### Project Scope

The proposed Physics and Astronomy Building is conceived as a four-story structure with two below-grade levels containing 51,429 asf for Physics and Astronomy and 10,147 asf of general assignment classrooms. The two below-grade levels will accommodate low-bay research labs for laser, low temperature, and vibration-sensitive experimentation. The first floor will contain five general academic classrooms designed for the special instructional needs of the physical sciences, including two 40-seat rooms and three sloped rooms with seating capacities of approximately 50, 100, and 200 persons. The balance of the first floor and floors 2 through 4 will contain administrative and academic offices and related support

space, including meeting spaces, informal interactive areas, and a reading room.

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To minimize disruption to the campus, project construction will be accomplished in two phases. Phase I will include demolition, excavation, and shoring and will begin in June 2000

after the end of classes, with a completion date of November 2000. Phase II will construct the proposed building and will begin in April 2001, with an estimated completion date of March 2003.

#### CEQA Classification

In accordance with the California Environmental Quality Act, and the University of California procedures for the implementation of CEQA, an Environmental Impact Report will be prepared to analyze the potential environmental effects of the proposed Physics and Astronomy Building project. This document will be presented to The Regents for review at the time of project design consideration.

#### Financial Feasibility

The total project cost of \$39,345,000 will be funded from external financing (\$34,566,000) and campus funds (\$4,779,000). Repayment of the external financing will be from the Los Angeles campus' share of the University Opportunity Fund.

Assuming 27-year financing of \$34,566,000 at 6.5 percent interest, the average annual debt service for the project will be \$2,749,000. Forty-eight percent of the campus' estimated Opportunity Funds generated in 2003-04 (the first full year of operation) will be pledged for debt. Both Opportunity Fund pledge and payment levels fall within prescribed limits.

Even though external financing is pledged for the entire project, it is anticipated that some gift funds will be raised and used to offset the need for the full amount of external financing cited. The Physics and Astronomy Building is listed as one of the remaining priorities in Campaign UCLA for the College of Letters and Science.

Regent Kozberg asked about the University's bond and interest ratings. Assistant Treasurer Young reported that UC has bond ratings of AA3 from Moody's and AA- from Standard and Poor. Its commercial paper program is rated A1+P1 by Moody's and Standard and Poor. Interest rates for the commercial paper program, which is used for interim construction, have averaged about 3 percent. Interest rates for the taxable commercial paper program used to fund working capital average 5.5 percent. When the feasibility of projects is established, a rate of 6.5 is used in order to provide an adequate cushion against fluctuations in rates that may occur between the time a project is approved and when it is financed permanently.

Regent Leach noted that the cost per assignable square foot for the Physics and Astronomy Building is very high, even for a laboratory building. Chancellor Carnesale stated that the cost was similar to other new University construction and offered to provide him with comparative data.

Upon motion duly made and seconded, the Committees approved the President's recommendations and voted to present them to the Board.

3. **UPDATE ON THE DEVELOPMENT AT MISSION BAY, SAN FRANCISCO CAMPUS**

It was noted for the record that Chairman Davies did not participate in the discussion of this item due to a conflict of interest.

It was recalled that in January 1997, The Regents had approved the 1996 Long Range Development Plan for the San Francisco campus. The LRDP identified the need for a major new campus site to support its continued instruction and research growth needs. In March 1997, the UCSF campus presented to The Regents its plan for the major new site located on a 43-acre parcel in the redevelopment area of Mission Bay. This new site would become home to a major center for biomedical research. In May 1997, The Regents authorized the acceptance of a real property contribution for UCSF's Mission Bay site from Catellus Development Corporation (Catellus) and the City and County of San Francisco.

In November 1997, the UCSF campus presented an overview of the plan for the development of the Mission Bay campus. The item and presentation introduced the Bay Area Life Sciences Alliance (BALSA) to The Regents. The item also described a proposal to establish a more formal and expanded relationship with BALSA.

In January 1998, the UCSF campus presented additional information about BALSA and its unique contribution to the development of the UCSF Mission Bay campus, the objectives of the proposed relationship between the University and BALSA, the principles which would govern the relationship between the University and BALSA, and the potential structure for the relationship between BALSA and the University to ensure that BALSA's contributions would continue to substantially benefit UCSF.

In March 1998, The Regents authorized establishing a limited liability company, named the UMBC-LLC, between the University of California and the Bay Area Life Sciences Alliance for the planning and development of the Mission Bay campus.

In March 1999, The Regents approved an amendment to the Budget for Capital Improvements and the Capital Improvement Program and external financing for UCSF's UC Hall Seismic Replacement, Mission Bay project (Building 24). The Board also approved a funding plan for the \$222.4 million estimated project cost, approved the environmental documentation for the project, and approved the design of the project.

Background and Current Status of the UCSF Mission Bay Campus LLC

In March 1998, BALSAs and The Regents, on behalf of UCSF, entered into a private-public, nonprofit limited liability company for the development of the UCSF Mission Bay campus. BALSAs is a nonprofit public benefit corporation established by San Francisco Bay Area business leaders to promote biotechnology and life sciences development in the region. It made significant contributions to UCSF's success in securing the Mission Bay site by assisting with negotiations for the land donation by the Catellus Development Corporation and the City and County of San Francisco, as well as managing the preparation of the UCSF Mission Bay Campus Master Plan and Design Guidelines and then donating the master plan to UCSF. The company, known as UCSF Mission Bay Campus LLC (UMBC-LLC), was organized exclusively for nonprofit, charitable, educational, and scientific purposes to support, benefit, and further the programs and mission of UCSF by ensuring that the planning and development of the Mission Bay campus is consistent with the social, economic, and urban design interests of the City and County of San Francisco. Further, the UMBC-LLC was established to assist with efficient, cost-effective planning and development of the new site, but all strategic planning and financing decisions are retained under the control of the University of California.

#### Administration of UMBC-LLC

The executive officers for this partnership are the Chancellor, on behalf of The Regents, and the President of BALSAs on behalf of BALSAs. BALSAs was designated as the administrative member of UMBC-LLC and has provided management and administrative services for UMBC-LLC daily operations. The UMBC-LLC has responsibility for designing, estimating, scheduling, and constructing various projects at the Mission Bay site.

Administration of the UMBC-LLC is achieved under a formal operating agreement, jointly approved by the President of the University and BALSAs. UCSF and BALSAs have also established an operating protocol which outlines the standard operating procedures needed to achieve consistency with the UMBC-LLC articles of organization, the formal operating agreement, and applicable University policies. The intent of the operating protocol is to support and implement the UMBC-LLC operating agreement and guide operational interactions between the two partners.

As an example, the UMBC-LLC operating protocol required the establishment of an accounting system to perform the costing and financial management transactions needed to manage the approved UMBC-LLC business plan. This accounting system was created to integrate with the UCSF chart of accounts and thereby ensure that there is consistency between the UMBC-LLC's accounting and recording structure and the University, and that costs incurred by UMBC-LLC can be reviewed to ensure they are allowable under University policy.

The UMBC-LLC is currently focused on the development of several buildings in Phase 1 of the Mission Bay campus site. This includes all activities pertaining to the planning, design, and construction of the second research building at the site (the Mission Bay Developmental Biology and Genetics Research Building, known as Building 19B, comprised of approximately 168,000 gross square feet of biomedical research laboratories, an animal care facility, and administrative space), and the Campus Community Center (known as Building 21B, comprised of approximately 155,000 gross square feet, including a fitness complex, conference facilities, student services and student health, campus administrative activities, a library, food services, a retail/business center, and a multi-service center). It is also closely coordinating the Phase 1 landscaping project, which includes development of major open spaces, including the Green, the Plaza, pedestrian corridors, landscape around Buildings 19B, 21B, and 24, and surface parking for about 1,500 vehicles to serve Phase 1. Because of initial timing issues tied to the State funding component of Building 24, the campus is directly managing the construction of this project and, through the UMBC-LLC, is closely coordinating the infrastructure development.

In order to achieve the best possible development quality, as well as scheduling and cost efficiencies, BALSAs, as the administrative member of the UMBC-LLC, directs the campus projects as requested by UCSF. All UMBC-LLC project scope, costs, and contracts are subject to authorization by the University.

To date, BALSAs has made substantial contributions to this partnership. In addition, its important role during the property conveyance process and the \$1.7 million provided for the Mission Bay campus master plan and design guidelines, BALSAs has also agreed to advance working capital in an amount of up to \$16 million to develop Buildings 19B, 21B, and the Phase 1 landscaping projects. This allows UCSF the ability to maintain a development schedule that will see all Phase 1 projects completed on an almost concurrent basis. It has also provided project management expertise that has helped to expedite the implementation of Phase 1.

#### Current Status of Property Contributions

Subsequent to Regents' approval, the Agreement for Contribution of Real Property between Catellus and The Regents was signed on September 24, 1997. According to the contribution agreement, the entire 43 acres would be conveyed in two parcels, one of about 27 acres, with the remaining 16 acres transferred when the University completed development of 500,000 square feet of facilities. The initial increment of the first parcel (the five-acre Parcel 24) passed to the University on November 6, 1998, and the closing for the transfer of the additional 21.5 acres to The Regents (the balance of first contribution parcel) occurred on July 19, 1999. The remainder of the campus site is expected to be transferred to the University in July 2004.

Current Status of Building 24

The UC Hall Seismic Replacement, Mission Bay Building 24 project encompasses 239,642 assignable square feet to house programs in structural and chemical biology and molecular cell and developmental biology, with a total area of 433,828 gross square feet. The Building 24 project, so named to coincide with the land parcel numbering system for the entire Mission Bay site, started site preparation prior to construction in October 1999. Bids for the first construction phase were received in November 1999 and were below the estimated budget for this first bid package, and construction on this first phase began in December 1999. The second bid package encompasses the remaining building construction, and bids will be advertised in the late spring 2000, with construction scheduled to commence in July 2000 and be completed by August 2002.



Future Actions

The San Francisco campus plans to submit action items related to the Mission Bay campus for approval at a meeting of the Board of Regents in the near future. These actions would be to secure necessary approval of Buildings 19B and 21B, as well as the landscaping project, for inclusion in the Capital Improvement Budget and for design.

UCSF has engaged a housing consultant to study the feasibility of developing student housing at the Mission Bay site. While the study is not yet complete, the preliminary analysis indicates that student housing is financially feasible and would allow the campus to add a significant number of new student beds to its inventory. The campus will report on its plans, based on the final study outcome, at a future Regents meeting.

Chancellor Bishop recalled that the parcel on which the Mission Bay campus is to be built will be transformed into a thriving neighborhood complete with housing, entertainment, retail space, and biotechnology firms. The residential, retail, and entertainment properties will lie north and east of the campus. Biotechnology will be arrayed around the western and southern perimeters of the campus in a way that will allow ready interplay with the scientists at UCSF. The first phase of development will accommodate more than 1,600 scientists and staff. Three buildings will be complete by 2003, and planning is in the early phase for campus housing. The development will continue into a second phase that will see the build out of the complete campus over the next 20 years. When complete, the site will encompass about 2.5 million gross square feet of facilities accommodating at least 9,000 people.

Dr. Bishop believed that the project offers as much to the City of San Francisco as it does to UCSF in the form of jobs, economic stimuli, and the redevelopment of a neighborhood. The first building will be named for Genentech Corporation, in recognition of its \$50 million contribution toward construction. Ground was broken in late October. Construction is on schedule and is under budget. The design for the community center has been completed, and planning for the second research building is advancing. Both projects will be brought to The Regents for approval in March.

Dr. William Rudder, the Chair of the BALSAs Board of Directors, reported that the organization of the limited liability corporation was the first of its kind in the state. The revolving fund that was established will enable the campus to be developed quickly. He believed that BALSAs can be a model for coordinating the development of State institutions with private enterprise.

Regent Leach thanked the members of BALSAs and Catellus Development Corporation for their leadership in the venture. He believed that the new campus will make important contributions to healthcare and to the economics of the state.

Regent Preuss expressed the hope that a model school, to be under the direction of the University, will be planned for inclusion on the Mission Bay site. Dr. Bishop indicated that planning for such a school is in its early stages.

Regent Khachigian reported that she had visited the Mission Bay site recently. She urged all other Regents to do so.

In response to requests from Regents Kozberg, Hopkinson, and Leach, Dr. Bishop agreed to provide the Regents with a brief summary of the development of BALSAs and its relationship with the campus. Regent Hopkinson asked also for details of the financial plan for the new campus.

In response to a question from Regent Lee, Dr. Bishop reported that he was unsure whether any plans for industry to occupy the east or south sides of the Mission Bay property had been finalized.

The meeting adjourned at 9:05 a.m.

Attest:

Secretary