The Regents of the University of California

COMMITTEE ON GROUNDS AND BUILDINGS
July 19, 2005

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

Members present: Regents Hopkinson, Johnson, Juline, Kozberg, Rominger, and Ruiz; Advisory member Brunk

In attendance: Regent Rosenthal, Secretary Trivette, General Counsel Holst, University Counsel Thomas, Senior Vice President Mullinix, Vice President Hershman, Chancellors Birgeneau and Tomlinson-Keasey, and Recording Secretary Bryan

The meeting convened at 11:15 a.m. with Committee Chair Hopkinson presiding.

1. **PUBLIC COMMENT PERIOD**

There were no members of the public wishing to speak.

2. **APPROVAL OF MINUTES OF PREVIOUS MEETING**

Upon motion duly made and seconded, the minutes of the meeting of May 17, 2005 were approved.

3. **AMENDMENT OF THE BUDGET FOR CAPITAL IMPROVEMENTS AND THE CAPITAL IMPROVEMENT PROGRAM FOR DAVIS HALL NORTH REPLACEMENT BUILDING, BERKELEY CAMPUS**

The President recommended that, subject to the concurrence of the Committee on Finance, the 2005-06 Budget for Capital Improvements and the Capital Improvement Program be amended as follows:

From: Berkeley: Davis Hall North Replacement Building – preliminary plans, working drawings, construction, and equipment – $117,650,000, to be funded from the State through the California Institutes for Science and Innovation program ($87,325,000) and gifts ($30,325,000).

To: Berkeley: Davis Hall North Replacement Building – preliminary plans, working drawings, construction, and equipment – $161,490,000, to be funded from the State through the California Institutes for Science and Innovation program ($87,325,000), gifts ($54,165,000), and external financing ($20,000,000).

It was recalled that in September 2001, The Regents amended the Budget for Capital Improvements and Capital Improvement to include preliminary plans for the Davis Hall North Replacement Building project. In January 2003, The Regents amended the Budget for Capital Improvements and Capital Improvement Program to include a total budget for the project of $117,650,000. The Regents approved the project's design in February 2003. It has become necessary to augment the existing budget by $43,840,000 and to obtain external financing for the project in order to accommodate unanticipated increases in construction costs and changes in market conditions.

Status and Need for Augmentation

To expedite the construction schedule, the project was planned in two phases. The construction contract for the first phase (Bid Package No. 1) was awarded in May 2004 at a cost of $15,281,000, which was $1,200,000 above the pre-bid estimate. This work, which consisted of site preparation, is substantially complete.

Bids for the new building (Bid Package No. 2) were received in July 2004 and exceeded the pre-bid estimate by about 60 percent. The campus examined the bids and undertook a strategy to redesign to reduce cost, while also pursuing additional gifts and alternative funding strategies.

After careful consideration of alternatives, the campus began redesign by selecting a new Executive Architect and thoroughly reviewing the project in order to identify cost-reduction opportunities. This review identified 18 major changes that could save money and improve constructability. On the basis of these proposed changes, and with heightened emphasis on cost-effective design, a comprehensive redesign was begun in November 2004 to reduce the cost of Bid Package No. 2. The result is a project that has a more efficient internal circulation plan and space layout and is more straightforward in terms of architectural, structural, and mechanical systems.

The project cost estimate is $161,490,000. The increase is the combined result of a significant change in the construction cost environment, of cost escalation during the redesign and re-bidding period, and of increased project soft costs related to redesign and re-bidding.

Of the $33,227,000 increase in construction cost, $1,200,000 is a result of high bids on Bid Package No. 1. The bulk of the construction cost increase, $32,027,000 for Bid Package No. 2, is due to extraordinary shifts in the national and regional construction markets that occurred in mid-2004. This shift reflected a significant change in the construction market at time of bid. Among the factors related to this market dislocation are the declining relative value of the U.S. dollar, increased worldwide demand for commodities such as oil, steel, and cement, and intense statewide and regional competition for construction services, notably in the hospital, institutional, residential, and infrastructure sectors. A portion of the increase is the result of a higher-than-anticipated premium associated with the small scale of the two-story

microfab component of the project, an essential research facility that requires special systems and construction.

The increase of $3,073,000 in external fees is a result of retaining a new architectural firm and aspects of the substantial redesign process. The increase of $1,135,000 in internal fees reflects the extended duration of the project schedule for redesign and re-bidding. Surveys, plans, tests, and specifications increased by $110,000 owing to the implementation of two discontinuous bid packages and increased advertising and printing costs.

Special items increased by $700,000 owing to additional financing costs during construction. The project contingency has been increased by $5,595,000 to reflect continuing volatility in the construction market.

Internal and external soft costs associated with the initial design effort total approximately $7,442,000. The campus was forced to abandon these costs in order to secure the services of a new Executive Architect and to achieve significant project cost savings. Standard accounting and University policies hold that it is inappropriate to capitalize such costs. Accordingly, the campus has provided funds from non-capital sources to cover the costs associated with the original design effort, and they are excluded from the proposed project budget of $161,490,000.

The revised project will be re-bid in October 2005, with construction to begin in January 2006 and to be complete in May 2008.

The project will comply with the University of California Policy on Green Building Design and Clean Energy Standards.

CEQA Classification

In January 2002,The Regents certified the Northeast Quadrant Science and Safety (NEQSS) projects Environmental Impact Report in accordance with the California Environmental Quality Act (CEQA) that analyzed this project and other planned developments in the northeast quadrant of the campus and approved an amendment to the campus'Long Range Development Plan. In February 2003,The Regents adopted Findings and approved the project's design. The design has no substantial changes from the design as approved in 2003 and is substantially the same as analyzed in the NEQSS EIR.

Chancellor Birgeneau, Vice Chancellor Denton, and Assistant Vice Chancellor Gayle presented slides of the project.

Regent Johnson acknowledged that changing conditions in the market could not have been predicted. She commented that a time lag between securing grant money for the project and entering the bid process can affect the construction budget adversely. She hoped the University could find ways of speeding up the process.

Regent Rosenthal asked how switching Executive Architect could be avoided in the future. Vice Chancellor Denton reported that the architectural firm that was hired had a good track record on other campuses and in the private sector. In this project it did not perform well, a fact that has been shared with the other campuses.

In response to a question asked by Regent Juline, Assistant Vice Chancellor Gayle reported that in 2003-04 there was a 20 percent increase in construction costs. That percentage increased by 7 percent in 2005.

Committee Chair Hopkinson emphasized the importance of this building to the University. She observed that the project had been a collaborative effort for which the client and the architect shared responsibility. She asked how soft costs could be $7.4 million for the initial design and what the increase in internal fees of $1.14 million signified. She observed that in the private sector it would be unusual to spend $1 million to develop the design of a building. Mr. Gayle responded that less than 20 percent of the soft costs for the initial design represented internal fees; the remainder were primarily for architectural and engineering fees. Senior Vice President Mullinix added that an audit has been undertaken in order to develop a better understanding of those costs.

Upon motion duly made and seconded, the Committee approved the President's recommendation and voted to present it to the Board.

4. **AMENDMENT OF THE BUDGET FOR CAPITAL IMPROVEMENTS AND THE CAPITAL IMPROVEMENT PROGRAM FOR SIERRA TERRACES HOUSING PROJECT, MERCED CAMPUS**

A. The President recommended that, subject to the concurrence of the Committee on Finance, the 2005-06 Budget for Capital Improvements and the Capital Improvement Program be amended as follows:

From: Merced: Sierra Terraces Housing Project – preliminary plans – $990,000 to be funded from University of California Housing System (UCHS) net revenue reserves.

To: Merced: Sierra Terraces Housing Project – preliminary plans, working drawings, construction, and equipment – $21,942,000 to be funded from external financing.

It was recalled that the Sierra Terraces project will supply 400 student beds and 12 non-revenue staff beds. The project includes undergraduate residence halls and associated community and support space located in the campus core adjacent to the Garden Suites and Lakeview Dining project.

In November 2004, The Regents approved an amendment of the 2004-05 Budget for Capital Improvements and the Capital Improvement Program to include preliminary plans in the amount of $990,000 for the Sierra Terraces Housing Project, then known as

"Housing Phase 2." The planning targeted a project costing between $17 million and $21 million, providing 68,800 asf (94,400 gsf), 411 beds (400 revenue beds), and 215 surface parking spaces for lower division students.

The high demand for building materials and skilled labor in the local area, as well as increasing costs for construction materials during the past eighteen months, have contributed significantly to the planned cost of the project. Since November 2004, and with the completion of programming, the total project cost has increased to $21,942,000, and the program space has declined slightly to 68,000 asf (85,000 gsf). The bed count has increased slightly to a total of 412, though surface parking has been eliminated to reduce the total project cost. The total amount of parking available on campus will be limited, particularly for first-year students. A parking lot for students was provided as part of the Garden Suites and Lakeview Dining project. Additional parking spaces for the students and for the general campus population will be provided once there are sufficient campus reserves available to support financing of additional parking lots or parking structures consistent with the UCM Long Range Development Plan.

Need for Project

The campus is scheduled to open in fall 2005 with 900 undergraduate students and 100 graduate students; thereafter, enrollment is projected to increase by 800 students annually until capacity is reached at 25,000 students. The Sierra Terraces housing project is essential to accommodate this enrollment growth, as well as to ensure compliance with the LRDP, which stipulates the provision of housing for 50 percent of the UCM students.

In September 2002, The Regents approved the Valley Terraces and Dining Commons, formerly known as "Garden Suites and Lakeview Dining" – the first housing project to be constructed at UCM. The Valley Terraces project will open in fall 2005, providing 586 student beds to accommodate incoming undergraduates. Upon the completion of the Sierra Terraces project, Valley Terraces will be reassigned to accommodate upper division undergraduate and graduate students.

It is anticipated that over 90 percent of freshmen will seek on-campus housing at UCM. For non-freshmen students, first-year housing contract statistics demonstrate that over 60 percent would choose to live on campus if beds were available.

The combined housing projects will provide 986 student revenue beds within walking distance of major academic buildings and other campus facilities.

The UCM student housing demand of 677 students, representing combined student housing contracts and wait-listed students, for 2005-06 exceeds the capacity of 586 student beds by 91 students as of June 2005. It is estimated that in 2006-07, a total of 586 students will again be accommodated on campus as part of the initial housing project, but 314 students will be turned away. The above is exclusive of non-revenue staff beds.

Because the UCM LRDP establishes an on-campus housing goal of 50 percent of students, and based on the intense demand for housing on campus presently, the housing demand by 2007-08 is estimated to be 1,300-beds, with only 986 beds available. It is therefore estimated that a 314-bed deficit will occur even with the completion of this second housing project. As enrollment growth at the Merced campus continues into 2010-11, the student demand for housing will continue to exceed the available bed inventory significantly, with an estimated deficit of 1,514 student beds if no additional housing projects are completed beyond Sierra Terraces.

Without the proposed Sierra Terraces project, the resulting small number of students housed on campus would negatively affect the quality of residential life, particularly for first-year students.

In the local market, affordable off-campus units are generally unavailable. The local vacancy rate has recently risen to 5 percent in the area, but the market remains tight even with completion of some new multi-family housing in the Merced and Atwater areas since 2001.

Project Description and Cost

The Sierra Terraces housing project will be located in the campus core, adjacent to the Valley Terraces and Valley Dining Commons. The 400 students housed there will participate in mandatory meal plans.

Consistent with the November 2004 preliminary plans approval, the Sierra Terraces design will serve as a prototype that could be replicated as future freshman housing if needed. The project will be constructed in two corridor-style buildings with double-occupancy rooms. Type V wood construction has been chosen as the most economical approach for the project.

The campus is reviewing a two-story plan for the project; however, the campus LRDP specifies the standard height for housing projects as three stories. In order to comply with the LRDP, as well as to ensure the best use of resources, the campus will consider providing a three-story project, while still delivering 412 beds, if it can be accomplished within the prescribed budget of $21,942,000.

Restrooms will be shared by multiple students. The project will include appropriate space for group meetings, studying, and informal gathering, as well as office space for Residence Life staff. Necessary storage and workrooms will be included for custodial operations and maintenance supplies. Site development and site utilities are included in the project. Students will be encouraged to use campus transportation options to reduce the number of automobiles on campus, consistent with the UCM LRDP.

Construction of the project will begin in April 2006 and be completed in August 2007.

This project will comply with the Presidential Policy for Green Building Design and Clean Energy Standards. Specific information regarding energy efficiency and sustainability will be provided when the project is presented for design approval.

CEQA Classification

In accordance with the California Environmental Quality Act (CEQA) and University procedures for implementation of the CEQA, an Environmental Impact Report for the campus LRDP has been prepared and analyzes the potential environmental impacts of this project. This information will be presented for review and consideration at the time of project design approval.

Vice Chancellor Desrochers announced that the first of the housing projects, the Valley Terraces, already has a waiting list of more than 100 people, for whom attempts are being made to find housing in the community. The shortage of beds will continue in 2006. Housing in the community is not the best solution for freshman students. The Sierra Terraces will be adjacent to the first housing and will share many of the amenities already constructed. Even with Sierra Terraces, in fall 2007 the campus will still be short 300 beds because there will be 2,600 students. Planning for a third project will need to be undertaken soon.

Ms. Desrochers noted that the Sierra Terraces is very efficient. In the face of market fluctuations, it is imperative that the project budget be constrained. She emphasized that the campus is charging modest housing rates, reflecting the financial needs of its students.

Campus Architect Smith discussed how fees are derived and the status of the capital improvement budget for the project.

In response to a question asked by Regent Kozberg, Mr. Smith reported that the design would be presented to the Committee at the September meeting. He noted that, in view of the minimal parking on the site, a campus shuttle system will be created for students.

Regent Juline asked whether the experience to date had raised questions regarding the adequacy of the LRDP longer-range estimate at 50 percent of freshman housed on campus. Chancellor Tomlinson-Keasey believed that, although it is not likely that the campus will be able to reach that goal for at least a decade, it is hoped that the University community that will develop south of the campus will offer appropriate housing opportunities. The third housing project may enable the goal to be reached.

Regent Ruiz believed that if UC Merced is going to have a positive impact on the Central Valley, housing issues will need to be addressed without delay.

Upon motion duly made and seconded, the Committee approved the President's recommendation and voted to present it to the Board.

5. **AMENDMENT OF THE BUDGET FOR CAPITAL IMPROVEMENTS AND THE CAPITAL IMPROVEMENT PROGRAM FOR LONG HOSPITAL 13, MOFFITT HOSPITAL 13 (SOUTH) ACUTE CARE UNIT REMODEL, AND MOFFITT HOSPITAL 13 (NORTH AND EAST) INTENSIVE CARE UNIT REMODEL, SAN FRANCISCO CAMPUS**

The President recommended that the 2005-06 Budget for Capital Improvements and the Capital Improvement Program be amended to include the following project:

> San Francisco Campus: Long 13, Moffitt 13 Acute Care Unit Remodel and Moffitt 13 Intensive Care Unit Remodel – preliminary plans, working drawings, construction, and equipment – $36.2 million to be funded from hospital reserves.

It was recalled that the San Francisco campus proposes to design and renovate 20,044 asf (32,000 gsf) at Moffitt-Long Hospital at the Parnassus Heights campus. Moffitt and Long Hospitals are separated with a seismic joint but are programmed to function as one building. The 13th floor of Moffitt North and East will be renovated to create a 16-bed intensive care unit (ICU), and the 13th floor of Long and Moffitt South will be renovated to create a 32-bed acute care nursing unit (ACU). At project completion, the number of beds in the hospital will increase from 526 to 574, a net gain of 48 beds.

The UCSF Medical Center (UCSFMC) has a critical need for additional ACU and ICU inpatient beds to meet current caseload. Further, the Moffitt Long 4th Floor Surgery Expansion project, on-line late 2005, will add five new operating rooms, significantly increasing the existing need for ACU and ICU beds. In recognition of patient need, UCSFMC has pursued every potential to increase the number of inpatient beds supportable within the Medical Center's business plans. As the 13th floor of Moffitt-Long Hospital does not house any inpatient beds, it offers the opportunity to create the largest possible number of new inpatient beds on a single floor.

An addition to the ACU and ICU bed capacity at UCSF also will improve the UCSF Medical Center's competitive position in the market and increase net operating income, cash reserves, and credit worthiness. In turn, these positive financial impacts will support UCSFMC's long-term plan for the replacement of the hospitals at Parnassus and Mount Zion.

Project Description

This project requires that all space be gutted prior to renovation, displacing the current occupants. This includes UCSFMC's Pediatric Catheterization program, as well as the research and administrative space for the School of Medicine Cardiovascular Research Institute (CVRI). As provided for in a separate project, the Heart Center will be moved from Moffitt 12 North to the 5th floor of Long. The Pediatric Catheterization program will then be relocated to the vacant Moffitt 12 North space. CVRI research and administrative functions will be relocated to space at both Mission Bay and at Parnassus Heights. Current CVRI research occupants on Long 13th floor will relocate to CVRI

Health Sciences East 13th floor (HSE-13), which requires CVRI occupants of HSE-13 to relocate to the Mission Bay Genentech Hall 4th floor southwest quadrant. This research space has been partially vacated by a faculty member who has left the University, and will be fully vacated by the relocation of research to vacant space on the 4th floor of the Mission Bay QB3 building. CVRI administration will relocate from M-13 South to space vacated on the 4th floor of Millberry Union West (MU-4W). The MU-4W space will be vacated by a School of Medicine unit that is relocating offsite to achieve consolidation with other department space at the offsite location.

Relocation work will be accomplished in a series of small projects, with one, estimated to cost $700,000, requiring the Chancellor's approval. The total cost of the series of projects will be approximately $1,484,000.

Long 13 and Moffitt 13 South Acute Bed Nursing Unit and Support Program

The ACU in Long 13 will provide 29 private patient rooms and 3 semi-private rooms and will renovate 13,686 asf (23,581 gsf) of Long 13 and Moffitt 13 South. The patient rooms will be arranged for optimal visibility of the exterior window views from the patient bed. The rooms will also allow for a family member sleep area. The staff support areas will include a nurses' station, physician charting, a nourishment room, utility rooms, a staff toilet, a family waiting room, and storage rooms.

The shared support areas in Moffitt 13 South will include a family waiting room for the ICU, separate equipment storage rooms for the ICU and the ACU, a staff lounge for the ACU, shared staff lockers-toilet, a satellite pharmacy, staff offices, a public toilet, and physician on-call rooms.

Converting lab space to clinical space has some cost premiums associated with the change in use. The new space will have oxygen, medical air, and vacuum outlets as well as adequate normal and emergency power outlets at each bed, and each room will have data-communications ports. Each unit will be designed to accommodate electronic charting and order entry. The facilities will include charting stations at each bedside and just outside the patient rooms.

Moffitt 13 North and East Intensive Care Unit Program

This project will renovate 6,358 asf (8,422 gsf) of Moffitt 13 North and East, providing a 16-bed ICU. The ICU will include 8-bed patient rooms in each wing with the following shared staff areas: reception-administration station, utility rooms, storage rooms, a staff toilet, and a staff office. Each of the two 8-bed patient areas will be designed to provide optimum visibility for the staff and adjacency to support facilities such as storage of supplies and medications that must be readily accessible. A staff lounge will be located in Moffitt 13 East, and all patient rooms will be provided with state-of-the-art physiological monitoring systems.

This new space also will have oxygen, medical air and vacuum outlets as well as adequate normal and emergency power outlets at each bed, and each room will have data-communications ports. Each unit will be designed to accommodate electronic charting and order entry. The facilities will include charting stations at each bedside and just outside the patient rooms.

Budget and Schedule

The work will be carried out while adjacent areas continue to function as a working hospital, necessitating night and weekend work to minimize the disturbance of nursing units on adjacent floors. The premium associated with overtime work significantly affects the project budget. New mechanical and electrical systems must be provided, and some of the related infrastructure must be upgraded. The work will be performed within an old facility, with unknown existing conditions and asbestos abatement requirements.

The Long 13 and Moffitt 13 South construction period will be between April 2006 and April 2007. The Moffitt 13 North and East construction period will be between March 2007 and February 2008.

CEQA Classification

The increase of beds at the Medical Center was anticipated in the LRDP Amendment #2 and analyzed in the EIR certified by The Regents March 17, 2005. The LRDP Amendment #2 analyzed hospital replacement in order to meet requirements of SB 1953. The LRDP Amendment #2 allows for expansion of beds at Parnassus for use no later than 2030, when the inpatient uses must be moved out of Moffitt Hospital. Interior modifications for bed expansion were expected in the near term and prior to 2011, which is the LRDP horizon. The project as proposed is consistent with the LRDP Amendment #2 EIR.

Director Laret reported that the hospital is close to operating at capacity. Not having enough beds is problematic for patients and physicians and inhibits academic program development.

Regent Johnson asked how the project affects the Mission Bay campus. Mr. Laret responded that these beds are needed in order to generate the revenue to support the borrowing necessary to build the Mission Bay project. Long-term, the plan is for two major campuses; one at Parnassus, with research, education, and patient care; one at Mission Bay with the same mix.

Upon motion duly made and seconded, the Committee approved the President's recommendation and voted to present it to the Board.

6. **ADOPTION OF ADDENDUM AND FINDINGS AND APPROVAL OF DESIGN, UNDERHILL PARKING FACILITY AND FIELD REPLACEMENT, BERKELEY CAMPUS**

The President recommended that, upon review and consideration of the environmental consequences of the proposed project as evaluated in the Addendum, the Committee:

A. Adopt the Addendum, Findings, and Statement of Overriding Considerations pursuant to the California Environmental Quality Act.

B. Approve the design of the Underhill Parking Facility and Field Replacement, Berkeley campus.

[The Addendum, Findings, and Statement of Overriding Considerations were mailed to Regents in advance of the meeting, and copies are on file in the Office of the Secretary.]

It was recalled that in November 2000, The Regents certified the Final Environmental Impact Report (EIR) for the Underhill Area Projects (UAP) at UC Berkeley. The UAP include several individual projects located on five contiguous blocks south of the central campus: the Central Dining and Office Facility, College-Durant Student Housing, Channing-Bowditch Student Housing, Units 1 and 2 Infill Student Housing, and the Underhill Parking Facility and Field.

After certification of the Final EIR in November 2000, two UAP projects – the Central Office and Dining Facility and College-Durant Student Housing – were approved by The Regents. The Channing-Bowditch and Units 1 and 2 Infill Student Housing projects were subsequently refined, as described in an Addendum to the UAP Final EIR, and approved by the Regents in May 2002. The UAP EIR consists of the two-volume April 2000 Draft EIR, the November 2000 Final EIR, the May 2002 Addendum to the Final EIR, and the June 2005 Addendum.

In September 2004, The Regents approved the Underhill Parking Facility and Field Replacement project budget in the amount of $38,709,000, to be funded from external financing ($30,709,000) and a combination of the Berkeley campus' Parking System Net Revenue Funds and Parking Replacement Reserve Funds ($8,000,000). In June 2005, an administrative augmentation in the amount of $3,958,000 was approved by the Office of the President to accommodate recent increases in construction costs and market conditions that were unanticipated at the time the project was originally budgeted.

In June 2005, the Office of the President approved the appointment of Watry Design of Redwood City, California as Master Design Architect for this project.

Project Description

The Underhill Parking Facility and Field Replacement is the final element of the program outlined in the Underhill Area Master Plan and analyzed in the UAP EIR. It will replace the former Underhill Field and Parking Structure D, which was demolished in 1993 after a seismic strengthening project revealed that the structure had been compromised over time as a result of water intrusion and the deterioration of reinforcing steel. The result

was a hazardous structure at risk of failure for which repair was not a viable option. Parking Structure D accommodated 930 vehicles on two levels, including 756 marked spaces and 174 attendant parking spaces. Underhill Field comprised the third level, at an elevation slightly above College Avenue. The field was heavily used because of its location near student residences and the general demand for recreational space from the Berkeley campus. After demolition, the site was converted temporarily to a surface parking lot, which provides 222 marked and 85 attendant spaces. No alternative site was available in the intervening time to replace the field.

This project will construct a replacement parking structure with 1,000 marked spaces and restore the recreational field at the roof level of the structure, as envisioned in the UAP EIR.

Project Site

The site of the Underhill Parking Facility and Field is two blocks south of the central campus, in the Southside district, and occupies the eastern 60 percent of a city block bounded by College Avenue, Haste, Bowditch, and Channing Way. The block is entirely owned by the University, except for the Casa Bonita apartment building at the southwest corner. The northwest corner of the block is occupied by another recently completed campus project, the Central Dining and Office Facility. The Units I and II residence hall complexes are located on the blocks adjacent to the north and south, respectively. The site slopes down from east to west at roughly 6 percent; the current surface parking lot lies in an excavated pit roughly 22 feet below the level of College Avenue at its eastern edge.

Project Design

The project design takes advantage of the sloping site by locating the recreational field at the level of College Avenue, to allow direct views of and entry to the field from this busy pedestrian route. Four parking levels will be constructed below the field; due to the sloping site, the structure will rise two levels above grade at its western edge. Vehicle entries to the parking levels are located roughly at the midpoint of the north frontage and near the western end of the south frontage.

The College Avenue frontage includes a linear plaza with landscaped planters, seating, and pedestrian-scale lighting. This represents a significant design improvement over the original structure, in which the field was built several feet above a very narrow city sidewalk. The plaza has three rolling gates to the field, plus a fourth gate for service and emergency vehicle use at the northeast corner of the field. The elevation of the plaza is designed to provide both ADA and vehicle access from College Avenue at the northeast corner, as well as access to at least 20 bicycle spaces located at the field level.

A 12-foot landscape setback along the north and south frontages will be planted in bamboo, climate-suitable shrubs, and groundcover to screen, but not block, the views of the parking levels from the street. The project includes street trees along the north, east,

and south curbs, selected in consultation with the City of Berkeley. The existing redwood trees southwest and northwest of the proposed structure will be preserved, if feasible. A 30-foot-wide linear garden at the west end of the site separates the structure from the adjacent Central Office and Dining Facility; gates at the north and south ends limit access to the garden to daytime hours only.

The parking structure design features a regular rhythm of columns, punctuated with architectural elements along the exterior housing stairways and elevators, ventilation shafts, and storage and rest rooms serving the playing field. These architectural elements and the spandrels between columns are clad in painted metal panels, contrasting with the natural concrete slabs and columns. The color palette for the metal elements draws upon the palette of the new buildings in Units I and II.

The 215-foot by 285-foot rectangular recreation field is surfaced with artificial turf that resembles natural grass and is designed to accommodate a wide range of recreational sports. A jog path with an all-weather surface encircles the field. A concrete strip along the northern edge of the structure serves as a storage area for field equipment such as goals and cages. Small structures at the northeast and southeast corners house equipment storage and rest rooms, and provide stair and elevator access to the parking levels.

Field lighting is proposed to be mounted on four 70-foot standards. Both field lighting and lighting within the parking structure are designed to minimize lighting spillage and glare onto the neighboring streets and residences. The perimeter fence extends up to 30 feet above the field level; the lower 8 feet of the perimeter fencing will be chain link, while the upper portion will be black netting, with apertures no greater than one inch in dimension.

The project design has been reviewed in accordance with University policy by the UC Berkeley Design Review Committee. The project has also been reviewed by the UC Berkeley Structural Review Committee, with independent structural review to be conducted at each stage of the project.

The project is consistent with the University of California Policy on Green Building Design and Clean Energy Standards. As designed, the Underhill Parking project will meet sixteen of the campus' LEED-equivalent baseline points, primarily because of the site and attention to minimizing the use of materials and resources. The contractor will recycle a minimum of 50 percent of the construction waste, and the playing field will be constructed of a high proportion of recycled material. The project will use drought-tolerant landscaping and high-efficiency irrigation. Due to siting in a high-density area, storm water runoff will not increase. Lighting will include full cut-offs so that no light leaves the project site to affect the night sky or surrounding neighborhood. The parking office will designate 15 to 20 carpool spaces and allocate more if needed.

Summary of Environmental Review

In accordance with California Environmental Quality Act (CEQA), the Underhill Area Projects (UAP) EIR was tiered from the program EIR prepared for the UC Berkeley campus 1990 Long Range Development Plan (LRDP) and certified by The Regents in November 2000. The 1990 LRDP EIR, certified by The Regents in May 1990, analyzed the general effect of campus development through the year 2005-06 and proposed measures to mitigate the significant adverse impacts associated with that development. An Addendum to the UAP EIR was prepared in June 2005 to evaluate the minor changes that have occurred since the EIR was certified.

Although this project predates the 2020 Long Range Development Plan approved by The Regents in January 2005, it is consistent with the 2020 LRDP with respect to location and both parking and recreational space land uses. The 693 net new spaces will improve the shortage of campus parking, estimated at over 1,300 spaces. The 2020 LRDP also notes the amount of recreational field space per student has declined significantly since 1990 and includes a policy to restore the fields lost since 1990. The reconstruction of Underhill Field will help remedy the critical shortage of recreational playfield space in the densely populated southside, home to a majority of UC Berkeley students.

Pursuant to Section 15063 of the California Environmental Quality Act (CEQA) Guidelines, an Initial Study was prepared for the Addendum for Underhill Parking Facility and Field to determine if the project could have a significant effect on the environment. CEQA provides that an Addendum to an EIR may be prepared for minor technical changes or additions to an EIR which do not raise important new issues about significant effects on the environment. An Addendum is not circulated for public review.

Based upon the analysis contained in this Initial Study for the Addendum, it has been determined that no substantial changes are proposed to the project that require major revisions to the UAP EIR; no substantial changes in circumstances relevant to implementation of the UAP have occurred which would require major revisions to the UAP EIR; and no new information of substantial importance has become available that shows that the changes proposed for the project will have new or substantially more severe effects than discussed in the UAP EIR. Furthermore, no new mitigation measures or alternatives that would reduce substantially the significant environmental effects have been identified that the University declines to adopt. Thus, because only minor changes are required to the UAP EIR to make it reflect the project as proposed, it is appropriate to prepare an Addendum to the UAP EIR.

Environmental Impact Summary

The UAP EIR found that the UAP projects, including the Underhill Parking Facility and Field, had the potential to be inconsistent with the city's zoning district provisions regarding height, setbacks, and density. This was determined to be an unavoidable impact. Potentially significant traffic impacts were anticipated if parking were provided beyond the planned 1000 spaces; potential for accidents at Channing-Bowditch and Haste-Bowditch might increase with build out of the UAP; construction could exacerbate parking shortages in the Southside area; mid-block pedestrian crossings could exacerbate pedestrian-vehicular conflicts at parking structure driveways. Mitigation proposed in the UAP EIR reduced these impacts to less than significant levels. No other potential significant impacts related to the parking structure and sports field were found.

Findings

The Findings discuss the project's conclusions regarding approval of the project and adoption of the Addendum, in conformance with CEQA.

Chancellor Birgeneau, Vice Chancellor Denton, and Assistant Vice Chancellor Gayle presented slides of the project.

Regent Rosenthal advocated including students in determining how parking spaces would be allocated among students, faculty, and staff. Mr. Gayle responded that, although the lot is not designed for residents of student housing, spaces may be allocated for commuting students. He noted that students are included in the governance structure for parking on the Berkeley campus.

Committee Chair Hopkinson expressed concern about the appearance of the back portion of the structure, where there was no room for trees. She was concerned also about the materials used on the main facade. Mr. Gayle noted that the elevations are based on design guidelines; they do not reflect a proposal from a design-build entity. Modifications may be made when a proposal is accepted. Mr. Denton commented that the concept of using a strong color is consistent with the palettes established with nearby infill projects. Committee Chair Hopkinson asked that the Committee see the plans again once the design has been fully defined.

Upon motion duly made and seconded, the Committee approved the President's recommendation and voted to present it to the Board.

7. **ADOPTION OF MITIGATED NEGATIVE DECLARATION AND APPROVAL OF DESIGN, PRICE CENTER EXPANSION, SAN DIEGO CAMPUS**

The President recommended that, upon review and consideration of the environmental consequences of the proposed project, the Committee:

A. Adopt the Initial Study/Mitigated Negative Declaration.

B. Adopt the Mitigation Monitoring Program and Findings.

C. Approve the design of the Price Center Expansion, San Diego campus.

[The Initial Study/Mitigated Negative Declaration, Mitigation Monitoring Program, and Findings were mailed to Regents in advance of the meeting, and copies are on file in the Office of the Secretary.]

It was recalled that in November 2004, the Regents approved the inclusion of the University Centers Expansion and Renovation, San Diego campus, in the 2004-2005 Budget for Capital Improvements and the Capital Improvements Program for a total project cost of $79,122,000. The project will be funded with external financing ($67,394,000), gifts ($5,728,000), and Bookstore Reserves ($6,000,000). The project is comprised of two components: the Expansion and Renovation of the Price Center and the Addition and Renovation of the Original Student Center (OSC). The project budget approved in November 2004 included the renovation and addition to the Original Student Center, which will proceed under separate construction contract. In March 2005, the Office of the President approved the appointment of Cannon Design as Executive Architect. Design approval is delegated to the Senior Vice President–Business and Finance. The Price Center Expansion and Renovation project includes the construction of 182,000 gsf (109,000 asf) at a total project cost of $72,174,000.

Project Site

The site for the addition is directly east of the existing Price Center, bordered by Mandeville Walk and Matthews Lane to the north, the Science and Engineering Research Facility to the east, and Lyman Lane to the south. The Police Station that occupies the site will be demolished; a replacement facility is under construction at the Campus Services Complex. Also to be demolished are four miscellaneous, small one-story structures. Views from the site will be north to the Geisel Library and Warren College and south across Myers Loop, Matthews Quad, and to the future Student Academic Services Facility. The project site is consistent with the campus' 2004 Long Range Development Plan.

Project Design

The Price Center Expansion will accommodate expanded, enhanced, and new services in new space. In addition, the project will renovate part of the existing building, including approximately 51,000 asf to adapt current spaces and integrate the Center as a whole. The Bookstore will expand to the south along a relocated Lyman Lane. The new loading dock, storage, and other service functions will be located underground in a basement level. Within the four-story above-grade addition, the retail and 24-hour functions will be situated on the first level. The ballroom, some meeting rooms, the Alumni and Visitors' Center, and the Cross Cultural Center will be on the second level, and the administration, student organization offices, and remaining meeting rooms will be on the third and fourth levels. An atrium at the open portion of the design will provide a visual connection to all of the floors in the addition.

The Price Center Expansion is proposed as a cast-in-place concrete structure below grade, with a series of braced steel frames forming the three- and four-story structures above grade. The braced steel frames will resist seismic forces. The primary exterior material will be integrally colored cement plaster with some stone tile to relate the addition to the existing Price Center. Kynar-coated aluminum window systems and curtain wall system at the larger windows will complete the exterior envelope.

The sustainability features include a system of displacement ventilation that greatly reduces the need for mechanical heating and cooling; recycling of construction waste; individual airflow, temperature, and lighting controls; Energy Star roof compliance; maximized day lighting; and use of best practice commissioning procedures. The project will comply with the University of California Policy on Green Building Design and Clean Energy Standards as well as with the Presidential Policy for Green Building Design and Clean Energy Standards. Preliminary analysis indicates that this project will achieve the equivalent of a LEEDS Silver rating upon completion.

The UC San Diego Design Review Board has reviewed and approved the design of the Price Center Expansion in accordance with University policy. An independent cost estimate and seismic review are complete. The Office of Facilities Design and Construction will manage the project. Independent testing agencies will be used as necessary. The Assistant Vice Chancellor and Campus Architect, Facilities Design and Construction, will perform project oversight.

Environmental Impact Summary

Pursuant to State law and University procedures for implementation of the California Environmental Quality Act (CEQA), an Initial Study/Mitigated Negative Declaration (MND) was prepared for the Price Center Expansion. The proposed MND was circulated to responsible agencies and to the State Clearinghouse for a 30-day public review from January 5, 2005 and ending February 3, 2005. Written comments were received from one agency and one organization. The San Diego Archaeological Society concurred that the project would not affect cultural resources. The City of San Diego Development Services

commented on the traffic analysis and solid waste. The proposed MND is tiered from the 2004 LRDP Environmental Impact Report. Based on the Tiered Initial Study, the University concluded that although the proposed project could have a significant effect on the environment, there would not be a significant effect in this case because revisions to the project have been made or mitigation measures have been incorporated into the project by the University. All potential project impacts are mitigated by LRDP EIR mitigation measures. On the basis of the Tiered Initial Study/MND and implementation of LRDP EIR mitigation measures, there is no substantial evidence that the project as mitigated will have a significant effect on the environment.

Findings

The Findings discuss the project's impacts and associated mitigation measures.

Vice Chancellor Woods reported that since the Price Center was built, the student population has increased by over 60 percent. Assistant Vice Chancellor Hellmann presented slides of the project. He recalled that the campus had developed planning studies for each major campus area. He noted that the campus does not have anything that could be considered a downtown – an adjacent community that supports students' daily activities. It is hoped that the fabric of the urban structure will dictate the unity that the campus hopes to find in creating a downtown area for the University Center. While the guiding principles will provide unity, the architecture in the area may be diverse. He discussed various aspects of the area in which Price Center is located, including its relationship with Library Walk, which is an important unifying component in the development of the University Center. Several buildings in the area have arcades and decks, and landscaping is also used as a unifying element. The materials permissible for the University Center area include clear glass, pre-cast concrete panels, metal panels, cut stone, refined concrete masonry units, and smooth cement plaster.

In response to an observation by Regent Hopkinson, Mr. Hellmann reported that the color palette was within the range of warm master colors developed for the campus.

Mr. Hellmann noted that major pedestrian crossroads surround the Price Center. He displayed a model to illustrate the relationships among the geometric forms of the original building and the expansion.

Upon motion duly made and seconded, the Committee approved the President's recommendation.

8. **UPDATE ON DESIGN, MUSIC BUILDING, SAN DIEGO CAMPUS**

Vice Chancellor Woods recalled that the design for the Music Building was approved in May 2005, with LMN Architects of Seattle as Executive Architect. The project includes approximately 85,500 gsf (47,000 asf) at a cost of $42,056,000. The facility, which supports the academic needs of the Music Department, provides instruction space, student

practice rooms, faculty offices and studios, a recital hall and ensemble rehearsal spaces, and administrative support and research laboratory space.

Assistant Vice Chancellor Hellmann provided an update for Regents on the context of local area, materials and entrance design, and service entrance landscaping. He recalled that the Committee had asked for revisions to the entrance of the facility to make it more inviting. He showed slides to illustrate the original and the revised plans. He recalled that original materials for the project consisted of a concrete frame that had an infill of concrete masonry units with glass and translucent panels occurring at the elevations. A muted-color stucco was used on other portions. The new plan introduces more color and a warmer palette of materials. The new concrete color is warmer and is complemented by a masonry unit with a lighter aggregate. He noted that an arcade with a painted metal frame and wood trellis work will add to the warm feeling. An umber color will be used at the front entrance. The blue color of the concert hall will be visible from outside the building. Finally, the landscaping in the service area has been enhanced by additional trees.

Regent Rominger commented that it may be necessary to ensure that the architect, which is from Seattle, understands the necessity of matching the building materials to the San Diego climate.

Committee Chair Hopkinson asked for more information about the campus color palette. Mr. Hellmann responded that a master palette of colors will be used as part of the University Center area design guidelines. The colors may be fine-tuned during construction to ensure they are appropriate. Committee Chair Hopkinson noted that it was difficult for her to make a judgment about the colors without further information about the context in which they were to be used. Senior Vice President Mullinix indicated that the overall area plan that demonstrates how the color palette is integrated would be presented to the Committee in the future.

9. **REVIEW OF DESIGN, EAST CAMPUS GRADUATE HOUSING, SAN DIEGO CAMPUS**

Vice Chancellor Woods recalled that at the May 2005 meeting the Committee had offered comments about the design of the East Campus Graduate Housing project during the initial review and discussion of the design by Studio E Architects. The 374,000 gsf (292,000 asf) of construction, with a budget of $78 million, will include six four-story buildings of 800 apartment-style beds configured as two-bedroom/two-bath units; study lounges, meeting rooms, vending and mail areas, and administrative offices, and a six-story above-grade parking structure for student parking on a 1:1 ratio. Design approval will be sought at the September meeting.

Assistant Vice Chancellor Hellmann showed slides of the project. The design-build team includes Studio E Architects, McLaren Vasquez, and Sundt Construction. The architect has arranged the buildings in such a way as to block traffic noise from Interstate 5 and create open space in the center. The Committee had commented when the project was

first presented that the exterior colors and the enclosed balconies gave the building a dated look. Mr. Hellmann displayed optional color schemes which use more muted tones. The Committee favored the option with more earth tones. Committee Chair Hopkinson proposed varying the colors slightly among the different buildings of the project. Further, based on the Committee's earlier guidance, the hard balcony panels were removed from the design.

10. **PRELIMINARY REVIEW OF DESIGN, ARROYO STUDENT HOUSING–PHASE 1, RIVERSIDE CAMPUS**

It was recalled that funding for preliminary plans for the Arroyo Student Housing–Phase 1 was approved in May 2004 and working drawings, construction, and equipment in May 2005. The Executive Architect is Sasaki. The project will construct a 511-bed, 166,799 asf (209,300 gsf) student housing facility comprised of four apartment types with single-occupancy bedrooms. The apartment-style housing is intended to be used eventually for continuing students. The total project cost of $54,671,000 will be funded from external financing ($50,276,000), University of California Housing System Net Revenues ($3,147,000), and Recreation reserves ($1,248,000).

The housing project will meet UC Riverside's demand for freshmen and transfer housing and in the future will provide housing for upper-classmen and graduate students. The project includes a food service grill and associated convenience store (3,360 asf) to serve the dining plan needs of the residence hall occupants. In the future it will accommodate the needs of the apartment residents, including late-night dining for all housing operations. Parking requirements associated with the Arroyo Student Housing project will be met with existing parking inventory, involving no capital cost. A 4.55-acre (198,000 asf) area of the site will be developed to provide three recreation fields.

Vice Chancellor Johnson showed slides of the project. He noted that the design will reflect a connection to its environment, which includes an arroyo. The intention is to use materials that will unify the buildings with other Riverside campus housing projects. There is a strong axial relationship between the first phase of the Arroyo housing complex, the second phase to be implemented in the future, and the recently completed Pentland Hills housing project.

Mr. Johnson reported that four building types will house the 511 students. There are 113 four-bedroom units, 24 two-bedroom units, and 9 one-bedroom units, along with support space and a retail component. He displayed the floor plans for the various single-occupancy-bedroom plans. Materials include light-colored plaster, hardy plank to provide texture, and UCR brick.

Regent Johnson asked about the rationale for having all single-occupancy rooms in the apartments. She was informed that the facility will serve in the long range as upper division and graduate housing. Student group reviews have indicated single rooms as a preference. Students who elect to use this apartment-type facility would be saving money

by sharing a living room and kitchen among four people. Ample parking will be provided.

Regent Kozberg was pleased to see that a late-night dining facility, which is important to students, was included in the project.

11. **PRELIMINARY DESIGN DISCUSSION, MISSION BAY NEUROSCIENCE RESEARCH BUILDING (19A, PHASE 1), SAN FRANCISCO CAMPUS**

This item was withdrawn.

12. **UNIVERSITY BUILDING COST REDUCTION OPPORTUNITIES STUDY**

It was recalled that at the September 2004 meeting The Regents proposed a study to identify opportunities for cost reductions in the implementation of the University's capital program. The Committee was last updated on the study's progress at the May 2005 meeting. Members of a panel of outside experts formed to direct the study provided an oral presentation of their findings and recommendations.

Committee Chair Hopkinson commented that in the last five years, the University has finished and occupied more than 10 million square feet of campus space. Another 6.5 million square feet have been approved. With the challenges that the University is facing regarding State funding, it has become critical to address how to be able to continue the building program necessary for the University's growth.

The members of the cost study group present were Mr. Steve Westfall, President of Tradeline Inc; Mr. Patrick MacLeamy, CEO of HOK Group, Inc; Mr. Stuart Eckblad, recently retired National Director of Project Administration Services at Kaiser Permanente; and Mr. Michael Covarrubias, President of TMG Partners.

Mr. Westfall stated that the group's report sets out recommendations for a significant transformation in the way the University does business concerning capital assets. He recalled that the group's mission was to deal only with major construction projects; look not for problems but for opportunities; and deliver an informed, professional, and collective opinion as to where those opportunities are and what should be done to benefit from them. He reported that the group expanded the mission to include vision and the consideration of opportunities to save capital dollars, of which saving construction costs is a subset.

Mr. Westfall summarized the work of the committee. Six business meetings were held. A consultant conducted interviews on the group's behalf, collected data, and performed analyses. The consultant sought answers to 15 basic questions and examined cost data on 24 selected projects. The work was begun using a list from an internal resources group comprised of operatives within the University. The Office of the President briefed the group on vision, policies, processes, values, and the differences among campuses. There was testimony from two capital project managers at UC Irvine and from a

consultant who had done an extensive cost study on a recently completed project at UC Davis.

Mr. Westfall reported that the committee determined that the greatest opportunities for capital savings dollars are to be found in process changes, transforming the way in which the University procures and plans for capital assets. The committee has six recommendations for the transformation:

- The pivotal recommendation has to do with ownership and accountability. Each campus should have a capital asset chief reporting to the Chancellor.

- The second recommendation is that business case analysis and planning become the basis on which capitals are conceived and approved for funding, that capital plans not be done on the basis of architectural drawings. The business case analysis should become the primary document and effort for capital planning. Projects would enter the capital pipeline based on a business case analysis and would be approved for funding on that basis. This effort would replace the detailed project program and planning guide steps. Business case analysis is mandated for all federal capital programs. The leaders in the development and implementation of this technique within the federal sector are the U.S. Coast Guard and the National Park Service. Universities are moving toward making business case analysis and planning their prime capital planning tool. Starting with a business case analysis leaves openings for less capital-intensive solutions than building a new facility.

- The third recommendation is that a shorter, simpler process be used for all projects that no longer uses the incremental funding system for preliminary planning, working drawings, and design approval. Once projects are approved, they should be moved rapidly through the system. This would reduce the inventory of projects spread across the system in different phases.

- The fourth recommendation is to create a more robust, flexible contracting environment. The objectives are to encourage highly qualified contractors to do business with the University and to enable contractors and subcontractors, without disqualifying themselves from the bidding process, to consult in the early design stages on how to do things less expensively.

- The fifth recommendation is to implement a systemwide building and project metrics standards and data gathering system. A set of metrics would focus on program outcomes achieved for capital dollars spent. The front-end planning and design would be accelerated through the implementation of standards and improve the performance of individual capital projects by having in place near real-time project administrative data that is predictive. It would provide a factual base over time to help the University codify and document its experience in order to make improvements in the long term.

Those first five represent policy transformation.

- The sixth recommendation is that a change agent be put in charge of making the transformation happen.

Regent Ruiz thanked the committee for providing a good road map for getting the process started. He believed that the business portion of the University should be run more like a business.

Committee Chair Hopkinson observed that there is an inherent cost related to the extensive design criteria that have been created at the campuses. An extreme example is that is the intention to design buildings to last a hundred years because there is no money available for maintenance. Mr. Westfall responded that there were several issues that were not addressed specifically in the top six recommendations. He believed that kind of issue would be handled under the heading "business case analysis." Mr. Eckblad commented that the idea of the business case would be to result in an objective evaluation which would include issues such as maintenance.

Regent Juline asked whether implementing the committee's recommendations would make it easier for contractors to get decisions made more easily, require campuses to adopt systemwide practices, and establish incentives to control costs. Mr. Westfall responded that adoption of the fast track would require builders to design to the budget. Regent Juline asked whether the problem of multiple change orders was addressed. Mr. MacLeamy responded that the University seems to practice design by committee. The issue seems to be that there is no accountability by an individual. The committee believed that the solution was to designate a campus person reporting to the Chancellor to be responsible for the achievement of the goals set forth by the business case.

Regent Kozberg believed that centralized accountability was extremely important. Concerning the issue of procurement, she asked whether the group took into consideration the State government environment in which the University must operate. There are many issues with the Department of Finance, the Public Works Board, and the Legislative Analyst's office that have made the process laborious. Senior Vice President Mullinix responded that the committee was asked to proceed on the presumption that any procedure or process at the State, system, or campus level could be changed. They did not consider in detail the physical impediments to making some of those changes.

Committee Chair Hopkinson noted that the group's report was a first step. It will be necessary to establish an implementation plan. Senior Vice President Mullinix reported that the campuses had not seen the recommendations. Discussion and consultation will take place with campuses and in Sacramento in order to determine how to proceed. The campus individual who is put in charge must be given not only accountability but authority. He indicted his intention to give the Vice Chancellors, campus planners, and design and construction personnel the opportunity to review the report and discuss it with the Chancellors. A progress report will be presented at the November meeting of the Committee.

Regent Kozberg suggested that attention be paid to how the plan would be presented to the community involved. Mr. Mullinix acknowledged that portions of the plan could be seen as negative. It will be necessary to consult with faculty and staff to ensure a positive reception for any changes that are implemented.

Vice President Hershman acknowledged that the University's relationships with the Department of Finance and the Legislature concerning these issues are complex. They must approve each capital project. If changes are to be made, they must be consulted.

Regent Juline noted that the group found that hiring highly esteemed architects had both advantages and disadvantages. Mr. Westfall responded that the group did not focus on the issue, but it was believed that the business case analysis for that issue could be made part of the business plan. Mr. MacLeamy reported that the group had determined that the University was relying too heavily on the architects to solve issues and sort out priorities, which put them at a disadvantage. He stressed the importance of starting with a sufficiently rigorous business case analysis before hiring the architect.

Regent Juline asked about the adequacy of the documentation that the University has provided to architects. It appears it may often lack specificity. Mr. MacLeamy responded that the development of a series of standards can guide the process so that questions may be answered based on history and information rather than opinion. Mr. Covarrubias noted that having the performance metrics in place through which the design process is begun will save both cost and time.

Regent Juline asked about the "construction manager-at-risk" approach, including using multiple bundled prime contractors. Mr. MacLeamy believed that the University had been using band aid solutions to some of the problems. Opportunities are created for other players when there is a vacuum in decision making. Bundled prime contractors, construction manager-at-risk, and other methods to contract for construction are fixes to a problem that could be solved if the University could select contractors who will do a good job in the expectation that they will have subsequent opportunities to work there. The contracting process is based on dollars, which often results in accepting the lowest bid without getting the lowest cost. Mr. Covarrubias believed the key was the skill sets of the University's project teams that manage the process and the delivery model.

Regent Rominger commented on the asset utilization and the formal business case recommendations. He noted that in view of the changes that have taken place in the way students learn, spending more time on line and less time in the classroom, the requirements for classroom space may need to be adjusted. Mr. Covarrubias responded that those changes would affect whether the University constructed a new building, upgraded an existing building, leased space, or built with increased density.

Regent Rosenthal asked whether the group would recommend that the compensation of the capital asset chiefs be based on their success and productivity. Mr. Eckblad believed any way of ensuring accountability would be acceptable.

Referring to the business case analysis, Regent Rosenthal asked if were implicit that the University builds buildings more often than necessary. Mr. Westfall commented that the process typically begins with hiring an architect to analyze the scope of the project. This will most often result in a recommendation to construct a new building. The business plan would establish a discipline that would require quantifying what the solution is worth to the University.

Regent Rosenthal asked what the University was doing right. Mr. Westfall believed that generating questions and forming the group to try to answer them was a positive move. Mr. Covarrubias observed that the University's campuses contain many first-class, hundred-year, best-designed buildings, but because capital issues have become of such concern, the University must seek more cost-effective ways of addressing its building needs. Mr. MacLeamy added that the group did not see as its objective finding ways for the University to build cheap buildings. Its focus was on process.

Faculty Representative Brunk agreed that empaneling the committee had been a significant step forward. He emphasized the importance of the third recommendation. He noted that the lengthy process invites changes by the potential users because of the preliminary planning followed by working drawings, and not infrequently the faculty consultants change during the process. Those participating in the first steps often are replaced by others with different ideas.

Committee Chair Hopkinson anticipated continuing to seek advice from the group and hearing about the next steps at the September meeting. She thanked those who were participating in the effort.

13. **REVIEW OF THE UC CAMPUS AND MEDICAL CENTER SEISMIC SAFETY PROGRAM**

Senior Vice President Mullinix and Vice President Hershman reported on the University's progress since 1990 regarding the UC Campus and Medical Center Seismic Safety Program. This program began in the late 1970s, and many buildings were seismically corrected between the program's inception and 1990. The last report to the Regents was on January 14, 1999. Since 1990, an additional 197 buildings graded "poor" and "very poor" have been corrected or demolished. The seismic safety program work is expected to extend to 2020. Completed and active projects have been supported with a combination of State, federal, private, and bond monies.

Summary: Seismic Safety Program 1990 to present (Poor and Very Poor)			
	Seismic Capital Facilities	**Completed/ Active**	**Remaining**
Berkeley	124	41	83
Davis	36	30	6

Irvine	52	39	13
Los Angeles	45	36	9
Riverside	22	20	2
San Diego	24	24	0
San Francisco	14	10	4
Santa Barbara	25	19	6
Santa Cruz	16	13	3
TOTAL	**358**	**232**	**126**

Senior Vice President Mullinix noted that the numbers were slightly deceiving in that the Berkeley campus has a large number of buildings that are marginal and will likely not be retrofitted but instead will be demolished.

Vice President Hershman noted that all the campuses except Berkeley and UCLA have completed their seismic corrections or have included them in their five-year plans for retrofitting. The largest projects at Berkeley have been completed, are under way, or are in its five-year plan. Berkeley has completed or is completing about 6.7 million square feet of space. UCLA has completed or has in the plan the seismic retrofitting for all general campus space. The remaining problem is in its medical school, for which the financing issues are substantial. The cost to complete the program could be between $250 million and $300 million. Although the work is included in the five-year plan, the money that was set aside will be insufficient.

At Committee Chair Hopkinson's suggestion, Senior Vice President Mullinix agreed to present at the January 2006 meeting the details of the five year plan for seismic corrections, with a list of possible priorities, in order to provide the Committee with a sense of the magnitude of the issue. Regent Kozberg asked that details be provided also about how life safety risks are being minimized.

14. **STATUS REPORT ON THE SERVICE UNIT PARK, PHASE 1 PROJECT, DAVIS CAMPUS**

It was recalled that the Service Unit Park, Phase 1 project was first proposed to the Office of the President in 2004 at a total project budget in the range of $17 million to $19 million. In accordance with Regental policy, budget approval was requested through an Action By Concurrence Item, requiring the approval of the President, the Chair of the Committee on Grounds and Buildings, the Chair of the Committee on Finance, and the Chairman of the Board.

Prior to full execution of the Action by Concurrence Item, the Chair of the Committee on Grounds and Buildings requested that the campus reexamine the project for cost-saving opportunities. After a thorough review of the project, the campus determined that a scope reduction was appropriate, and the total project was reduced to $8,964,000.

As normal for capital projects under $10 million, the campus submitted an Action Under Presidential Authority seeking approval of the revised project. In accordance with the authority delegated to him, the President approved the $8,964,000 capital project budget for the Service Unit Park, Phase 1 project in June 2005.

The revised Service Unit Park, Phase 1 project will provide new space of 36,104 asf (40,352 gsf), and 82 surface parking spaces. It will be supported with external financing in the amount of $8,864,000 and Parking Reserves in the amount of $116,000.

Assistant Vice Chancellor Keller reported that it was decided to leave the physical plant component of the project on the main campus. The new site will be limited to the material management group. Also, concerns about the campus' debt capacity resulted in a decision to have a smaller increment for Phase 1. The result is a more economically feasible project with a reduced scope, with the priority on the replacement of the materials management group, which is on the site of a future State-funded building. It is budgeted for about $134 per square foot. The remaining uses of the facility include mail and messenger services, central stores warehouse, and office support.

Committee Chair Hopkinson noted that, although changes had been made, the cost per square foot remained high. Mr. Keller responded that under the current program and processes it represented a reasonable value.

15. **INFORMATION REGARDING AUTHORITY TO APPROVE CAPITAL PROJECT BUDGET AUGMENTATIONS AT THE UNIVERSITY OF CALIFORNIA**

It was recalled that Committee Chair Hopkinson had requested information regarding the authority to approve Capital Project Budget augmentations at the University of California.

As established in the Bylaws of The Regents of the University of California, as well as by Standing Order 100.4, Duties of the President of the University of California, approval of capital project budget augmentations in excess of 25 percent of the total project cost must be approved by The Regents. Authority to approve capital project budget augmentations that do not exceed 25 percent of the total project cost is delegated to the President. In turn, the President has re-delegated that authority to the Vice President–Budget.

Augmentation to the approval authority is displayed below:

University of California
Capital Project Budget Augmentation Approval Authority

If the Proposed Augmentation Is:	*Approval Is Granted By:*
Greater than 25% of the currently approved total project cost	The Regents

Less than 25% of the currently approved project cost	The President, who has re-delegated that authority to the Vice President–Budget

Committee Chair Hopkinson believed that the augmentation did not reflect accurately the intent to require Regental concurrence for projects costing between $10 million and $20 million. It does not indicate that the President has the authority to sign change orders for up to 25 percent for projects that would then cost more than $10 million. She noted that a 25 percent increase in cost on a project that would then be over $10 million is significant. General Counsel Holst agreed to work with Senior Vice President Mullinix and Vice President Hershman to make the appropriate revisions to the approval authority language to bring it in line with the Standing Orders.

The meeting adjourned at 3:35 p.m.

Attest:

Secretary