The Regents of the University of California

**COMMITTEE ON GROUNDS AND BUILDINGS**
May 16, 2006

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

Members present: Regents Hopkinson, Juline, and Schilling; Advisory members Coombs, Ledesma, Brown, and Staff Advisor Miller

In attendance: Associate Secretary Shaw, General Counsel Holst, University Counsel Thomas, Vice President Hershman, Chancellors Tomlinson-Keasey, Vanderhoef, and Yang, and Recording Secretary Bryan

The meeting convened at 11:30 a.m. with Committee Chair Hopkinson presiding.

Due to the lack of a quorum, the meeting was held as a briefing session.

1. **PUBLIC COMMENT PERIOD**

There were no speakers wishing to address the Regents.

2. **APPROVAL OF MINUTES OF PREVIOUS MEETINGS**

Upon motion duly made and seconded, the minutes of the meetings of January 17 and March 14, 2006 were approved.

3. **CONSENT AGENDA**

***Amendment of the Budget for Capital Improvements and the Capital Improvement Program and Approval of External Financing for Anteater Recreation Center (ARC), Step 3, Irvine Campus***

The President recommended that:

**Pursuant to Standing Order 100.4(q) and Standing Order 100.4(nn)**

A. The 2005-06 Budget for Capital Improvements and the Capital Improvement Program be amended to include the following project:

Irvine: Anteater Recreation Center (ARC), Step 3 - preliminary plans, working drawings, and construction - $16,397,000 to be funded from ARC Reserves ($8,297,000) and external financing ($8,100,000).

B. External financing be approved not to exceed $8,100,000 to finance the project listed in (1) above, subject to the following conditions:

(1) Interest only, based on the amount drawn down, shall be paid on the outstanding balance during the construction period.

(2) As long as debt is outstanding, University of California Student Recreation Center Fees at the Irvine campus, approved by student vote in May 1996 and approved by The Regents in March 1997, shall generate excess net revenues sufficient to pay the debt service and to meet the related requirements of the proposed financing.

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

C. 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.

D. The Officers of The Regents be authorized to execute all documents necessary in connection with the above.

Due to the lack of a quorum, action on the recommendation was deferred to May 18, 2006.

4. **AMENDMENT OF THE BUDGET FOR CAPITAL IMPROVEMENTS AND THE CAPITAL IMPROVEMENT PROGRAM FOR HOUSING 3, MERCED CAMPUS**

The President recommended that the Committee on Grounds and Buildings recommend to The Regents that the 2005-06 Budget for Capital Improvements and the Capital Improvement Program be amended to include the following project:

Merced: Housing 3 - preliminary plans - $1.6 million to be funded from the Merced campus' share of the UC Housing System Net Revenue Reserves.

The Committee was informed that the Merced campus requests approval to begin design on the Housing 3 project (Preliminary Plans or P), to be funded from the University of California Housing System (UCHS) Net Revenue Reserves in the amount of $1.6 million. The campus proposes to initiate planning of on-campus housing for single undergraduate students to improve academic, co-curricular, and social experiences of these students. The project, which is included in the Five-Year Capital Program, Non-State and State Funds 2005-06 to 2009-10, will provide a total of 616 design beds (600 revenue beds).

The Housing 3 project is planned to meet the needs of undergraduate students, primarily freshmen, at the Merced campus. It is the third housing project for the Merced campus, following the Valley Terraces (602 design beds) and Sierra Terraces (406 design beds) projects. Sierra Terraces, which was the first residence-hall-style facility, was designed

as a prototype. That design will be modified for this project to allow for three floors of housing, instead of two floors, and to take into account the specific conditions for the building site and adjoining area.

The provision of housing for freshmen and undergraduate transfer students can be correlated to successful enrollment and retention rates at UC Merced. Additionally, the provision of housing on campus is based in sound principles of educational outcomes and academic quality as well as a desire to lessen impacts on the surrounding campus, city, and county. Consistent with the approved campus Long Range Development Plan, the campus' goal is to provide 50 percent of students with housing and 75 percent of freshmen with housing on campus. By fall 2008, with the 616 design beds included in this project, approximately 45 percent of planned student enrollment will be accommodated on campus.

Merced students are extremely interested in the advantages of living on campus, given the shortage of multi-family housing units in Merced and the nearby communities and a vacancy rate of less than 10 percent. With completion of this project, wait lists for student housing will be reduced, and students will be afforded an opportunity to become fully immersed in the academic life of the campus.

***Project Description***

The Housing 3 project will contain approximately 125,000 to 135,000 gsf (88,000 - 93,000 asf) of residence hall space for the following:

- 600 revenue beds, all double occupancy with ability for triple
- Two staff apartments, each with two bedrooms
- 12 resident advisor bedrooms (singles)
- 600 revenue beds + 14 non-revenue beds for live-in staff = 616 built beds
- The project uses the Sierra Terraces (Housing 2) design as a prototype
- This project is planned as a three-story scheme in two buildings

Parking facilities will be available near the proposed site to serve students. Employees will use employee parking facilities available in the area.

The facility will include related infrastructure improvements such as extension of required underground utilities and pedestrian and vehicular pathways, plus related landscaping, lighting, and signage.

Based on the campus' Long Range Development Plan, an existing temporary parking lot will be demolished to accommodate the proposed project, with a similar amount of parking to be made available on a future planned surface lot in the immediate area, managed by campus parking and transportation services.

Construction is estimated to begin in spring 2007, with completion in summer 2008.

***Green Building Policy and Clean Energy Standard***

The project will comply with the Presidential Policy for Green Building Design and Clean Energy Standards dated June 16, 2004. As required by this policy, the project will adopt the principals of energy efficiency and sustainability to the fullest extent possible, consistent with budgetary constraints and regulatory and programmatic requirements. 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 the University of California Procedures for the Implementation of CEQA, an environmental document will be prepared to analyze the potential effects of the proposed Housing 3 project. The document will be presented to The Regents for review at the time of design consideration.

***Funding Plan***

The total project cost for Housing 3 will be $40 million to $45 million. The fund sources will be the Merced campus' share of the UCHS annual net reserves and external financing.

***Future Regental Action***

At the conclusion of the preliminary design phase, the campus will return to The Regents to request amendments to the Budget for Capital Improvements and the Capital Improvement Program to advance the project (preliminary plans, working drawings, construction, and equipment) and seek approval of external financing and the design.

In response to an observation made by Faculty Representative Brown about the importance of parking availability, Associate Vice Chancellor Lollini acknowledged that the project involved the removal of a parking lot, but he reported that the project will be built adjacent to another housing complex, and the parking lot will be relocated to the other side of the street.

Regent Juline asked how housing planning was being tied to enrollment. Chancellor Tomlinson-Keasey recalled that 84 percent of UC Merced students last year had requested housing. As the summer went on and housing remained unavailable for some, they decided to go elsewhere. Without sufficient housing, enrollment at the campus will not be able to grow. Every campus except Merced can provide housing for all freshmen. In 2008, the campus will be able to guarantee housing for up to 65 percent of its students, with preference given to freshmen.

Due to the lack of a quorum, action on the recommendation was deferred to May 18, 2006.

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

The President recommended that:

A. The 2005-06 Budget for Capital Improvements and the Capital Improvement Program be amended as follows:

**Deletions shown by strikeout; additions by underscore**

Berkeley: Davis Hall North Replacement Building - preliminary plans, working drawings, construction, and equipment - ~~($161,490,000)~~ ($176,830,000), to be funded from the State through the California Institutes for Science and Innovation program ($87,325,000), gifts ~~($54,165,000)~~ ($58,670,000), ~~and~~ external financing ~~($20,000,000)~~ ($29,735,000), and campus funds ($1,100,000).

B. The President be authorized to obtain external financing not to exceed ~~$20,000,000~~ $29,735,000 to finance the Davis Hall North Replacement Building project, subject to the following conditions:

(1) Interest only, based on the amount drawn down, shall be paid on the outstanding balance during the construction period.

(2) Repayment of the debt shall be from the Berkeley campus' share of the University Opportunity Fund.

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

C. The President be authorized to obtain standby financing not to exceed ~~$18,754,000~~ $28,000,000 and interim financing not to exceed $12,050,000, for a total of ~~$30,804,000~~ $40,050,000, prior to awarding a construction contract for any gift funds not received by that time and subject to the following conditions:

(1) Interest only, based on the amount drawn down, shall be paid on the outstanding balance during the construction period.

(2) Repayment of any financing shall be from gift funds and, in the event such gift funds are insufficient, from the Berkeley campus' share of the University Opportunity Fund.

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

D. 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.

E. The Officers of The Regents be authorized to execute all documents necessary in connection with the above.

The Committee was informed that this action requests approval of a $15,340,000 budget augmentation and an increased authorization for external financing of $9,735,000 to enable the campus to accept bids and begin construction of the 78,000 asf Davis Hall North Replacement Building project, which will be the primary research facility and administrative headquarters building for the Center for Information Technology Research in the Interest of Society (CITRIS). Related actions include approval of increase cash gifts of $17,965,000, reduction in gifts-in-kind equipment of $13,460,000, and campus funds of $1,100,000. Based on the construction bids received and the associated soft cost expenses, the campus had projected a $42,900,000 cost overage but intends to implement cost reduction measures to reduce this to an increase of $28,800,000, as reflected in the recommendation.

In September 2001, The Regents amended the Budget for Capital Improvements and Capital Improvement Program to include preliminary plans for the Davis Hall North Replacement Building project, to be funded by the State through the California Institutes for Science and Innovation ($6,200,000) and gifts ($100,000). 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 at CCCI 4375, to be funded from the State through the California Institutes for Science and Innovation program ($87,325,000) and gifts ($30,325,000). The Regents approved the project's design in February 2003.

The project was planned for implementation in two phases for the purpose of expediting the construction schedule. The construction contract for the first phase of construction (Bid Package No. 1) was awarded in May 2004 at a cost of $15,281,000 (the prime contract plus other related costs), which was $1,200,000 above the pre-bid estimate for this phase. That work, to demolish an obsolete two-level wing of Davis Hall dating to 1931 and excavate the site for the new building, is complete. Bids were received for Bid Package No. 2, consisting of the building itself, in July 2004. These bids significantly exceeded the cost estimates, and Bid Package No. 2 was not awarded.

In July 2005, The Regents approved an augmentation of $43,840,000 to the project budget and authorized $20,000,000 of external financing to accommodate increases in construction costs and market conditions that were unanticipated at the time the project was originally budgeted.

Revised working drawings were completed in late 2005, and subcontract bids were received through the construction manager-at-risk bidding process in late February 2006.

***Status and Need for Augmentation***

The bids received in February 2006 were significantly over the budget. The total of direct and indirect costs exceeds the approved budget by approximately $42.9 million. Because the bids expire later this month and because this project is essential to the commitment made to the State in approving and providing one third of the funds for the Center for Information Technology Research in the Interest of Society (CITRIS), the campus believes it essential to reduce project costs insofar as possible, to augment the project budget and to proceed with construction of the project.

***Details of Cost Overage***

The summary of the cost increase is as follows:

| | | |
|---|---|---|
| Direct | | |
| Subcontract bid overage (34 subcontract bid packages) | $31,500,000 | (1) |
| Main Distribution Facility: scope adjustment | 1,100,000 | |
| (Subtotal) | $32,600,000 | |
| Indirect | | |
| CM-at-risk expenses (extended schedule of 8 months and other increased expenses of $500,000) | $ 5,300,000 | (2) |
| Owner-controlled insurance program | 4,600,000 | (3) |
| External fees (preconstruction services and external fees) | 400,000 | |
| (Subtotal) | $10,300,000 | |
| Total Direct and Indirect increase | $42,900,000 | |

(1) Of the 34 subcontract bid packages that in aggregate account for $31.5 million of the bid overage, the largest variations from the estimates were strongly correlated with scarcity of bidders and also with specific trades known to entail significant bid risk. Despite efforts by the campus and the CM-at-risk to encourage bidder participation, it is clear that the full benefits of competition were not realized in the marketplace.

The following observations on the Davis Hall bids are illustrative of the prevailing market conditions that affected the bidding on this project.

- Eleven bid packages received only one bid each; these 11 packages accounted for fully 50 percent of the excess bid cost.
- The mechanical, electrical, and plumbing packages, in aggregate, accounted for 60 percent of the excess bid cost.
- Specific trades affected by single bidding include grading and paving, one bid at $2,300,000 against an estimate of $420,000; metal fabrications and steel stairs, one bid at $8,780,000 against an estimate of $2,890,000; and building enclosure packages in aggregate, $9,789,000 against an estimated $6,586,000.

(2) The indirect CM-at risk expenses of $5.3 million are due to the eight month extension in schedule, escalation of salaries of CM-at risk personnel, and other associated costs.

(3) In consultation with the Office of the President, Office of Risk Services, an owner-controlled insurance program (OCIP) was adopted in fall 2005, on the supposition that relieving contractors of the expense of insurance would attract more bidder participation and could result in net savings to the campus through premium rebates. Insurance costs would otherwise have been included in contractor bids. The line item cost for the OCIP is $4.6 million, of which 10 percent to 15 percent may be returned to the campus depending on the safety performance of the project.

***Cost Reduction Measures***

The campus responded to the $42.9 million cost overage by exploring an array of measures. The following actions are being implemented to reduce overage by $14.1 million.

- As noted above, eleven major subcontract bid packages received no more than one bid each. The aggregate overrun among these packages (bids compared to estimates) represents 50 percent of the total bid overrun. The campus will work with the CM-at-risk to negotiate cost reductions prior to award with the sole bidding subcontractor for each of these packages. The campus is committed to reducing the subcontract total by at least $6.1 million through this approach. Any shortfall with respect to the $6.1 million savings goal will be offset by allocation of remaining project contingency funds.
- Reject subcontract bids that are so excessive as to be invalid reflections of the value of the work and that lend themselves to alternative means of procurement. The total reduction for these actions is $1,750,000.
- The project contingency will be reduced by $2,400,000 to $7,100,000, representing 5 percent of total construction. The completion of excavation and shoring under Bid Package No. 1 has reduced construction risks. As noted previously, the remaining contingency will be used to cover any shortfall in the $6,100,000 in the cost reduction measures cited above.
- A reduction of $1,850,000 in the proposed increased CM-at-risk fee from the July 2005 approval, consisting of a reduction in proposed overhead management fees ($1,100,000) and savings in fee due to reduced subcontract volume of $6,100,000 described above, and insurance ($750,000).
- Exclusive of the gifts-in-kind equipment, reduction in furnishings budget by $2,000,000, from $3,000,000 to $1,000,000. The non-microfab component will be furnished using existing furnishings.

The total of all cost reduction actions described above equal $14,100,000. This reduces the project cost overage from $42,900,000 million to $28,800,000.

The resulting $28,800,000 increase in project costs will be funded from additional gifts ($17,965,000), long-term debt ($9,735,000), and campus funds ($1,100,000).

The requested budget augmentation of $15,340,000 will be funded with a corresponding reduction of gifts-in-kind equipment as follows:

| | |
|---|---|
| Increased cash gifts | $17,965,000 |
| External financing | $ 9,735,000 |
| Campus funds | $ 1,100,000 |
| Reduction of gifts-in-kind equipment | ($13,460,000) |

This action requests approval of a $15,340,000 budget augmentation and an increased authorization for external financing ($9,735,000) to enable the campus to accept bids and begin construction of a 78,000 asf headquarters building for the Center for Information Technology Research in the Interest of Society. The revised Bid Package No. 2 will be awarded in late May 2006, with construction to begin June 2006 and to be complete October 2008.

***Green Building Policy and Clean Energy Standard***

This project will comply with the University of California Policy on Green Building Design and Clean Energy Standards, dated June 16, 2004. As required by this policy, the project will adopt the principles of energy efficiency and sustainability to the fullest extent possible, consistent with budgetary constraints and regulatory and programmatic requirements.

***CEQA Classification***

In January 2002, The Regents reviewed and certified an environmental impact report in accordance with the California Environmental Quality Act (CEQA) that addressed 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. An information item on the design, which had no substantial changes from the design as approved in 2003, was presented to the Committee on Grounds and Buildings at its July 2005 meeting.

***Financial Feasibility***

The total project cost of $176,830,000 at CCCI 4600 will be funded from the State through the California Institutes for Science and Innovation program ($87,325,000), gifts ($58,670,000), external financing ($29,735,000), and other campus funds ($1,100,000). The previously budgeted $15 million of gifts-in-kind equipment has been reduced to $1,540,000 in recognition of the commitment of substantial additional cash gift funds to the project. As of March 31, 2006, the receipt of gifts was as follows:

| | |
|---|---|
| Gifts received | $17,080,000 |
| Pledges received | 28,000,000 |
| Gifts to be raised | 12,050,000 |

| | |
|---|---|
| (Subtotal) | $57,130,000 |
| Original equipment grants | $15,000,000 |
| Proposed reduction equipment grants | (13,460,000) |
| (Subtotal) | 1,540,000 |
| Equipment grants received | 1,540,000 |
| Total | $58,670,000 |

Approval of additional standby financing of $9,246,000, for a total of $28,000,000, is requested in order to meet Regental policy to have funds on hand at the time of contract award. The Regents approved interim financing of $12,050,000 at the July 2005 meeting. To the extent gifts are received prior to completion of the project, the amount of standby and interim financing will be reduced and outstanding balances will be repaid. The campus anticipates that it will be able to raise the total amount of gifts, but in the event the collection is insufficient, the campus has pledged the Berkeley campus' share of the University Opportunity Fund as a source of repayment. Opportunity Funds are a portion of the indirect costs recovered from federal contracts and grants. Should the campus be unable to raise the additional gifts, up to $12,050,000 of interim financing may have to be repaid over 30 years at 6.125 percent for potential annual debt service of $887,000. Should it prove necessary, the campus will return to The Regents at the end of construction to request the conversion of any remaining portion of the interim financing to external financing.

Based on long-term debt of $29,735,000 amortized over 30 years at 6.125 percent interest, the estimated average annual debt service will be $2,189,000. The campus has pledged its share of the University Opportunity Fund as a source of repayment. The University Opportunity Fund Debt Repayment Policy requires that campuses meet two financial tests: (1) that the amount pledged for debt payments shall not exceed 65 percent of the campus' total Opportunity Funds allocated each year, and (2) that no more than 33 percent of the campus' total Opportunity Funds allocated each year are used for debt service payment. The Berkeley campus meets both tests. In fiscal year 2010-11, the second full year of occupancy and first full year of principal and interest for the project, 58 percent of the campus' total Opportunity Funds allocated will be pledged for debt service.

In compliance with Regents' policy, all funds necessary to complete construction will be in hand prior to issuing the project for bid.

In response to a question asked by Regent Juline, Assistant Vice Chancellor Gayle noted that by law the University is not allowed to negotiate with bidders, if there is more than one, prior to awarding a bid.

Committee Chair Hopkinson asked whether there might be collusion regarding agreements among contractors to not bid on a certain project. Mr. Gayle responded that he had no information that would suggest that such activity is occurring.

Committee Chair Hopkinson noted that funding for this project had been approved in 2001. She observed that often the University's projects take an inordinate amount of time to come to fruition. Vice Chancellor Denton responded that the decision to redesign the building delayed it by at least twelve months. In other cases, delays are caused by the way in which cash flows into the project. Projects that are donor funded sometimes do not meet the deadline and must secure interim or long-term financing. Another element is the bid climate that has caused projects to be revamped to reduce costs. Vice President Hershman recalled that when the University's capital budget was expanded in the early 1980s, the University had an impressive record of bringing projects in on time and on budget. He agreed that the current bid climate is a major challenge that has required projects to be reworked, sometimes more than once.

Due to the lack of a quorum, action on the recommendation was deferred to May 18, 2006.

6. **AMENDMENT OF THE BUDGET FOR CAPITAL IMPROVEMENTS AND THE CAPITAL IMPROVEMENT PROGRAM AND AMENDMENT OF EXTERNAL FINANCING FOR SAN DIEGO SUPERCOMPUTER CENTER EXPANSION, SAN DIEGO CAMPUS**

The President recommended that:

A. The 2005-06 Budget for Capital Improvements and the Capital Improvement Program be amended as follows:

**Deletions shown by strikeout, additions by underscore**

San Diego: San Diego Supercomputer Center Expansion - preliminary plans, working drawings, construction, and equipment - ~~$41,738,000~~ $48,860,000, to be funded from external financing ~~($40,738,000)~~ ($47,860,000) and campus funding ($1,000,000).

B. The President be authorized to obtain external financing not to exceed ~~$40,738,000~~ $47,860,000 to finance the project listed in (1) above, subject to the following conditions:

(1) Interest only, based on the amount drawn down, shall be paid on the outstanding balance during the construction period.

(2) Repayment of the debt shall be from San Diego campus' share of the University Opportunity Fund.

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

C. 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.

D. The Officers of The Regents be authorized to execute all documents necessary in connection with the above.

The Committee was informed that approval is requested to augment the existing budget by $7,122,000 of external financing in order to accommodate increases in construction costs and local and regional market conditions that were unanticipated at the time the project was originally budgeted. This project is included in the Five-Year Capital Program Non-State and State Funds 2005-06 to 2009-10.

In November 2004, The Regents amended the Budget for Capital Improvements and Capital Improvement Program to include a total budget for the project of $41,738,000, to be funded through external financing ($40,738,000) and campus funds ($1,000,000). The Regents approved the project's design in January 2005.

Based on construction bids for the project, additional funds are warranted to allow award of a contract to the lowest responsible bidder.

The bid overrun on this project is reflective of the current volatile construction market and adverse bidding climate where contractors and subcontractors are saturated and highly selective about which projects to bid and are compelled to increase their bid amount to cover their exposure on public bid projects as well as unknown and uncontrollable future materials price increases.

The campus did what was necessary to assure that the project cost estimates were on budget before proceeding to the next phase of development. At the end of the Schematics phase it was estimated that the project was $2.5 million over budget. Value engineering was applied to the design to align it with the approved budget. Several months later, the Design Development Phase was completed, following which the campus estimated the project to be $3 million over budget. Again, the campus applied value engineering and reassessed areas of the design. At the 50 percent Construction Document Phase, again a cost estimate identified an approximate $1.5 million possible overrun. Even by identifying every item which could be accepted to get back to the approved budget prior to going out to bid the campus was unable to overcome the significant unexpected premium in labor and materials costs, given the surge of construction activity in the San Diego region.

The campus considered shelling a portion of the space in the project as a cost-cutting measure. Because future investments will ultimately be required to build out the shelled space and will be subject to additional material and labor cost escalation, however, the shelling option is not recommended, as it will be more costly in the long run than awarding the current contract.

***Project Description***

The scope of the proposed project has not changed since approval of the project budget in November 2004.

This expansion will add 50,265 asf to the existing San Diego Supercomputer Center (SDSC) facility. While primarily composed of office space, the expansion will also enlarge the computer machine room in the original facility by 7,000 asf; create a new entry that will connect the 1985 and 1996 structures to the expansion; and add computer labs, meeting rooms, conference rooms, an auditorium, and support areas.

Given the technological nature of work conducted at the SDSC, the operational demands for electrical power are considerable. This demand will escalate with the completion of the 7,000 asf computer machine room and the aforementioned projected growth and consolidation. To meet both SDSC's increasing demand for electrical power and the demands that will be generated by the continuing growth of the North Campus, the construction of a new 12 kV switching station was incorporated into the project's scope of work. The station is an essential component and requirement of the project and integral to the future operations of the SDSC.

Construction of the SDSC expansion is scheduled to begin in June 2006, with occupancy in March 2008.

***Green Building Policy and Clean Energy Standard***

This project will comply with the Presidential Policy for Green Building Design and Clean Energy Standards. As required by this policy, the project will adopt the principles of energy efficiency and sustainability to the fullest extent possible, consistent with budgetary constraints and regulatory and programmatic requirements.

***CEQA Classification***

In accordance with University of California guidelines for the implementation of the California Environmental Quality Act, this project was evaluated in the LRDP EIR, which was certified at the September 2004 Regents meeting. Project design was approved in January 2005 and environmental findings were made.

***Financial Feasibility***

The total project cost of $48,860,000 will be funded from external financing ($47,860,000) and campus funds ($1,000,000).

Based on long-term debt of $47,860,000 amortized over 30 years at 6.125 percent interest, the estimated average annual debt service of$3,524,000 will be repaid from the San Diego campus' share of the University Opportunity Fund. Opportunity Funds are a portion of the indirect cost recovery generated by federal contracts and grants. The

University Opportunity Fund Debt Repayment Policy requires that campuses meet two financial tests: (1) that the amount pledged for debt payments shall not exceed 65 percent of the campus's total Opportunity Funds allocated each year, and (2) that no more than 33 percent of the campus's total Opportunity Funds allocated each year are used for debt service payment. The San Diego campus meets both tests. In fiscal year 2009-10, the first full year of principal and interest payments for the project, 56 percent of Opportunity Funds are pledged for debt service. Inclusive of this amount and other planned projects for external financing from Opportunity Funds, the campus is within the prescribed Opportunity Fund Pledge and payment limits.

Due to the lack of a quorum, action on the recommendation was deferred to May 18, 2006.

7. **AMENDMENT OF THE BUDGET FOR CAPITAL IMPROVEMENTS AND THE CAPITAL IMPROVEMENT PROGRAM AND AMENDMENT OF EXTERNAL FINANCING FOR KINSEY HALL SEISMIC CORRECTION, PHASE 2 PROJECT, LOS ANGELES CAMPUS**

The President recommended that:

A. The 2005-06 Budget for Capital Improvements and the Capital Improvement Program be amended as follows:

**Deletions shown by strikeout; additions by underscore**

Los Angeles: Kinsey Hall Seismic Correction, Phase 2 - preliminary plans, working drawings and construction - ~~$37,523,000~~ $34,900,000 to be funded from State funds ~~($19,016,000)~~ ($18,992,000), federal funds ($3,950,000), ~~gift funds~~ external financing ($7,524,000), and campus funds ~~($7,033,000)~~ ($4,434,000).

~~B. The Committee on Finance recommend to The Regents that the Treasurer be authorized to obtain interim financing not to exceed $7,524,000 to finance the Kinsey Hall Seismic Corrections, Phase 2 project, subject to the following conditions:~~

~~(1) Interest only, based on the amount drawn down, shall be paid on the outstanding balance during the construction period.~~

~~(2) Repayment of any financing shall be from gift funds, and in the event such gift funds are insufficient, from Los Angeles Campus Opportunity Funds.~~

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

**Pursuant to Standing Order 100.4 (nn)**

B. The President be authorized to obtain external financing not to exceed $7,524,000 to finance the Kinsey Hall Seismic Corrections, Phase 2 project, subject to the following conditions:

(1) Interest only, based on the amount drawn down, shall be paid on the outstanding balance during the construction period.

(2) Repayment of any financing shall be from Los Angeles Campus Opportunity Funds.

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

C. 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.

D. The Officers of The Regents be authorized to execute all documents necessary in connection with the above.

The Committee was informed that this action requests approval of a budget reduction of $2,623,000, for a revised total project cost of $34,900,000, and conversion of interim financing of $7,524,000 to long-term external financing of the same amount. The project is included in the Five-Year Capital Program, Non-State and State Funds 2005-06 to 2009-10.

In October 1996, The Regents approved the 1997-98 State Budget for Capital Improvements, which included the Kinsey Hall Seismic Correction Phase 2 project, at a total project cost of $22,966,000, comprised of preliminary plans ($824,000), working drawings ($1,150,000), and construction ($20,992,000). Subsequent to the appropriation of funding for preliminary plans, a FEMA grant of $3,950,000 was awarded to pay for a portion of the seismic correction, and the approved Project Planning Guide was amended in September 2000 to reflect a corresponding reduction in State funding.

In January 2001, The Regents approved a change in scope and increase of $9,294,000 in non-State, capital-supported program improvements, resulting in a total project cost of $32,260,000 to be funded from State funds ($19,016,000), federal funds ($3,950,000), gift funds ($7,524,000) and campus funds ($1,770,000). Interim financing of $7,524,000 was approved to assure that funds were available prior to awarding a construction contract according to Regental policy.

In April 2004, an amended budget was approved by the Office of the President after the low bid exceeded available funds by $5,263,000. Additional campus funds in that amount were subsequently committed to allow the contract to be awarded and the work to proceed. The amended total project cost of $37,523,000 was to be funded from State

funds ($19,016,000), federal funds ($3,950,000), gift funds ($7,524,000), and campus funds ($7,033,000).

***Project Description***

The Kinsey Hall Seismic Correction, Phase 2 project provides structural corrections to this seismically "Very Poor" building of 133,712 gsf that was constructed in 1928; mandatory fire, life-safety, and disabled access code corrections triggered by the structural work; and alterations to support conversion of this obsolete physical science laboratory building into a humanities and classroom facility. Upon completion, the building's seismic rating will be upgraded to "Good."

The project is substantially complete, approximately one month ahead of schedule. Occupancy is scheduled for summer 2006.

***CEQA Classification***

In accordance with the California Environmental Quality Act, and the University of California Procedures for the Implementation of CEQA, it has been determined that the project is categorically exempt under Class 1 Existing Facilities and Class 31 Historic Restoration/Rehabilitation. Project design and construction will be performed in a manner consistent with the Secretary of the Interior's Standards for the Treatment of Historic Properties and Guidelines for Preserving, Rehabilitation, Restoring and Reconstructing Historic Buildings (CEQA Guidelines 1998 Amendment, Section 15331).

***Budget Reduction***

The construction contract was awarded in May 2004. Since that time, the project has experienced a budget decrease of approximately $2,623,000 (-7.0 percent), representing actual costs incurred to complete the approved scope of work. Net cost decreases include construction ( $355,000); fee increases of $297,000 that were off-set by reductions for surveys/tests ( $155,000) and the full amount of budgeted contingency (-$1,674,000); special items ( $609,000); and loan interest (-$127,000).

***Financial Feasibility***

It is proposed that the previously approved interim financing for gifts be replaced with long-term debt. The total cost of the Kinsey Hall Seismic Correction, Phase 2 project of $34,900,000 at CCCI 4019, will be funded from State funds ($18,992,000), federal funds ($3,950,000), external financing ($7,524,000), and campus funds ($4,434,000). (State funds have been reduced by $24,000 from the previous approval to reflect a reversion of funds in 2000.)

Based on long-term debt of $7,524,000 amortized over 30 years at 6.125 percent interest, the estimated average annual debt service of $554,000 will be repaid from the Los Angeles campus' share of the University Opportunity Fund. Opportunity Funds are a portion of the indirect cost recovery generated by federal contracts and grants. The University Opportunity Fund Debt Repayment Policy requires that campuses meet two financial tests: (1) that the amount pledged for debt payments shall not exceed 65 percent of the campus' total Opportunity Funds allocated each year, and (2) that no more than 33 percent of the campus' total Opportunity Funds allocated each year are used for debt service payment. The Los Angeles campus meets both tests. In fiscal year 2007-08, the first full year of principal and interest payments for the project, 42.5 percent of Opportunity Funds are pledged for debt service. Inclusive of this amount and other planned projects for external financing from Opportunity Funds, the campus is within the prescribed Opportunity Fund Pledge and payment limits.

Regent Hopkinson was troubled that the project had been planned based upon gift funds that did not materialize. She believed that projects must have reasonable anticipations concerning gift funding. Vice Chancellor Blackman acknowledged that it is a situation that has reoccurred and should be addressed. In response to a second question, Mr. Blackman explained that the project had scheduled higher on the long-term list of seismic retrofits but had been postponed.

In response to a question asked by Regent Ledesma, Mr. Blackman stated that the project pre-dates the establishment of the University's green building policy and is not subject to it.

Regent-designate Coombs asked whether project costs cover the expenses associated with programmatic relocation during the retrofit. Mr. Blackman responded that it varies as to whether those costs are covered fully.

Due to the lack of a quorum, action on the recommendation was deferred to May 18, 2006.

8. **AMENDMENT OF THE BUDGET FOR CAPITAL IMPROVEMENTS AND THE CAPITAL IMPROVEMENT PROGRAM AND AMENDMENT OF EXTERNAL FINANCING FOR THE HEALTH SCIENCES SEISMIC REPLACEMENT BUILDING 2, LOS ANGELES CAMPUS**

The President recommended that:

A. The Committee on Grounds and Buildings recommend to The Regents that the 2005-2006 Budget for Capital Improvements and the Capital Improvement Program be amended as follows:

**Deletions shown by strikeout; additions by underscore**

Los Angeles: Health Sciences Seismic Replacement Building 2 - preliminary plans, working drawings, construction and equipment - ~~$60,105,000~~ $67,798,000 total project cost, to be funded from State funds ($29,725,000), ~~and~~ gift funds ~~($30,380,000)~~($1,000,000), and external financing ($37,073,000).

~~B. The President be authorized to obtain interim financing not to exceed $26,123,000 for any gift funds not received during the construction period and subject to the conditions that:~~

~~(1) Interest only, based on the amount drawn down, shall be paid on the outstanding balance during the construction period.~~

~~(2) Repayment of the debt shall be from gift funds and in the event such gift funds are insufficient, from the School of Medicine quasi-endowments to be identified and confirmed with the President.~~

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

**Pursuant to Standing Order 100.4 (nn)**

B. The President be authorized to obtain external financing not to exceed $37,073,000 to finance the Health Sciences Seismic Replacement Building 2 project, subject to the following conditions:

(1) Interest only, based on the amount drawn down, shall be paid on the outstanding balance during the construction period.

(2) Repayment of any financing shall be from the Los Angeles campus' share of the University Opportunity Fund.

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

C. 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.

D. The Officers of The Regents be authorized to execute all documents necessary in connection with the above.

The Committee was informed that this action requests approval of a $7,693,000 budget augmentation, approval of change in fund source (use of interest saved), and approval of external financing in the amount of $37,073,000 for the Health Sciences Replacement Building 2 project at the Los Angeles campus. This project is included in the Five-Year Capital Program, Non-State and State Funds 2005-06 to 2009-10.

In May 1997, The Regents was presented with an overview of the proposed UCLA Academic Health Center Facilities Reconstruction Plan (AHCFRP), which will repair and replace major portions of the Center for Health Sciences (CHS) and Santa Monica-UCLA Medical Center that were damaged by the 1994 Northridge earthquake.

In November 1998, The Regents approved the Health Sciences Seismic Replacement Building 2 for inclusion in the State portion of the 1999-2000 Budget for Capital Improvements and the 1999-2004 Capital Improvement Program for a total project cost of $57,866,000 at CCCI 3847. In July 1999, Department of Finance approved an addendum to the Project Planning Guide and a project cost of $58,705,000 at CCCI 3909.

In May 2000, The Regents approved the design for the Health Sciences Seismic Replacement Building 2 concurrent with its approval of the design for the adjacent Orthopaedic Hospital - J. Vernon Luck, Sr., M.D. Center, which will be constructed concurrently.

In May 2001, the campus received approval of preliminary plans from the State Public Works Board and the authorization to proceed with the working drawings phase of the project.

The project was subsequently affected by unexpected delays in the completion of the construction of a replacement facility for the Plant Physiology Greenhouse located on the HSSRB2 project site. The campus requested and obtained the re-appropriation of construction funds in the 2002 Budget Act.

In January 2003, The Regents approved interim financing in the amount of $26,123,000 pending the completion of the fundraising campaign for the project and a budget increase of $1,400,000, for a total budget of $60,105,000, to cover anticipated interest during construction and other interim financing costs. The current approved budget is to be funded by State funds ($29,725,000) and gift funds ($30,380,000).

***Project Description***

The project will construct approximately 134,300 gross square feet (gsf) of new space, providing 87,460 assignable square feet (asf) for medical research laboratories and support functions including vivarium space and faculty offices. It will provide for the relocation of existing immunology research programs of the Los Angeles campus in seismically hazardous space in the Center for Health Sciences. The programs that will be relocated to the HSSRB2 building include biochemistry; microbiology; molecular, cell and developmental biology; and transplant and AIDS research programs that are dispersed through the CHS.

The project scope will be amended to include the construction of program improvements to the vivarium and bio-safety laboratories. The construction documents for the HSSRB2 project provided for the purchase and installation of a manual cage washing system in the vivarium; however, the design for the cage washroom area was based on the premise that at some future date a robotic cage handling system would be installed. Recent technological developments have simplified the design and improved the reliability of automated cage processing systems, and the campus has determined to proceed with the installation of such a system during the course of construction so as to have it operational at building occupancy. In addition, some improvements are required to the biological safety laboratories planned for the vivarium area and the second floor. These spaces were designed to meet the BSL3 standards known and applied at the time of design approval of the HSSRB2 in 2000. Since then, the field of study has expanded to include bio-terrorism and other research using more hazardous materials. Improvements are required to meet expanded Center for Disease Control and NIH safety requirements for this type of research activity.

Construction of the HSSRB2 started in June 2003 and is anticipated to be completed in September 2006, with occupancy achieved by the end of the year. The vivarium automation improvements will be completed by the general contractor for the project, while the BSL3 suite improvements will be completed under a separate fit-out construction contract.

***Need for Budget Amendment***

A project budget increase of $7,693,000 - $1,193,000 for the base project and $6,500,000 for the vivarium and bio-safety labs improvements project - is needed due to the following:

***Base Project***

<u>Construction Cost Increases (+$1,792,000)</u>
Construction costs for the base project have increased $1,792,000. Construction management costs have exceeded the original budget (+$650,000) due to delays in construction completion. Telecommunication infrastructure costs were higher than budgeted (+$23,000) due to user generated changes in order to install state-of-the-art data

equipment and cabling infrastructure. A more extensive electronic security system was installed (+$171,000). Construction Change Orders were incurred for the purchase of HVAC and electrical systems equipment by the contractor which were previously anticipated to be owner-furnished (+$1,918,000), unknown site conditions which required additional excavation and foundation and site utilities work (+$177,000), revisions to the fire alarm system required by the State Fire Marshal (+$40,000), and upgrades to the ceiling suspension system at interstitial level catwalk to facilitate future maintenance access without affecting vivarium operations (+$60,000). Other routine design coordination changes were necessary and have been negotiated (+$198,000). Additional change order requests have been submitted by the contractor and remain under negotiation (+$342,000). Other miscellaneous items increased temporary utilities costs (+$483,000), increase builder's risk and OCIP insurance costs (+$570,000), and additional campus construction costs (+$313,000). These additional costs were partially offset by a reduction in the allowance for owner purchased equipment (-$1,918,000) and miscellaneous reductions in signage, contractor parking, and hazardous soils removal ($257,000). In addition, the initial identification of certain laboratory equipment as "Group 1" was revised and reclassified as "Group 2 & 3," thereby reducing construction costs (-$978,000).

Soft Cost Increases (+$952,000)

External fees increased due to amendments of the project's architect scope to comply with user-generated changes and schedule delays (+$680,000). Construction management and architect reimbursable costs are higher due to additional project documentation and travel costs and schedule delays (+$100,000). Testing and survey costs are higher due to changes in State laws that required the payment of prevailing wages to testing and inspection firms and underestimating necessary work (+$200,000). These additional costs were partially offset by a reduction in miscellaneous other reimbursable costs and special items (-$28,000).

Special Items (-$200,000)

Loan interest has been reduced from $1,400,000 to $1,200,000 for the base project due to a lower actual interest rate as compared to the planning rate.

Group 2 & 3 Equipment Increase ($1,087,000)

Group 2 & 3 equipment has increased due to the purchase of laboratory equipment previously identified as Group 1 equipment and actual bid costs.

Contingency Decrease (-$2,438 ,000)

The construction, soft costs and equipment cost increases were partially offset by the allocation of available project contingency.

***Vivarium and Laboratory Improvements***

Construction Cost Increases (+$5,300,000)
Construction costs related to the vivarium and bio-safety laboratories improvements include change orders to the general contract ($1,360,000), vivarium automation equipment costs ($1,700,000), and estimated cost of the follow-on, fit-out contract for the bio-safety laboratories ($2,240,000).

Soft Cost Increases ($735,000)
External fees increases due to amendments of the project's architect scope for the design of these improvements ($450,000), project management and inspection costs ($175,000), testing costs, architectural reimbursable costs, and miscellaneous expenses ($110,000).

Special Items (+$200,000)
$200,000 has been added for interest during construction costs for the improvements component of the project.

Contingency (+$265,000)
A contingency of $265,000 has been added for the vivarium and labs improvements scope change.

***California Environmental Quality Act***

The potential environmental effects of the proposed Health Sciences Seismic Replacement Building 2 project were analyzed in the Environmental Impact Report (EIR) for the Academic Health Center Facilities Reconstruction Plan (SCH #97061016), which was certified by The Regents in November 1998, concurrent with the approval of design for the Westwood Replacement Hospital. The potential environmental effects of the proposed construction of the Orthopaedic Hospital - J. Vernon Luck, Sr., M.D. Center, and its concurrent construction with the HSSRB2 project were analyzed in the Environmental Impact Report (EIR) for the Luck Research Center and Related Facilities (SCH # 20000011099). The improvements discussed above are within the previous environmental analysis and no additional environmental document is required.

***Financial Feasibility***

The total revised project cost of $67,798,000 will be funded by State funds ($29,725,000), gift funds ($1,000,000), and external financing ($37,073,000)

The campus had originally planned to support $30,380,000 of the project cost with gifts. After further consideration, it was determined that other elements of the UCLA gift campaign will be served better by available development resources. Accordingly, the campus plans to terminate the gift campaign for this project, and approval is sought to support the balance of gifts not yet collected ($29,380,000) with external financing. The campus also proposes to support the $1,193,000 budget augmentation for the base project and the $6,500,000 for the vivarium and bio-safety labs improvements with external

financing, for total external financing of $37,073,000, including $35,673,000 for project costs and $1,400,000 for interest during construction costs.

Based on long-term debt of $37,073,000 amortized over 30 years at 6.125 percent interest, the average annual debt service is estimated at $2,729,000, which will be repaid from the Los Angeles campus' share of the University Opportunity Fund. Opportunity Funds are a portion of the indirect cost recovery generated by federal contracts and grants. The University Opportunity Fund Debt Repayment Policy requires that campuses meet two financial tests: (1) that the amount pledged for debt payments shall not exceed 65 percent of the campus' total Opportunity Funds allocated each year, and (2) that no more than 33 percent of the campus' total Opportunity Funds allocated each year are used for debt service payment. The Los Angeles campus meets both tests. In fiscal year 2008-09, the first full year of principal and interest payments for the project, 45 percent of Opportunity Funds are pledged for debt service. Inclusive of this amount and other planned projects for external financing from Opportunity Funds, the campus is within the prescribed Opportunity Fund Pledge and payment limits.

Due to the lack of a quorum, action on the recommendation was deferred to May 18, 2006.

9. **ADOPTION OF MITIGATED NEGATIVE DECLARATION AND APPROVAL OF DESIGN, SOCIAL AND BEHAVIORAL SCIENCES BUILDING, IRVINE CAMPUS**

The President recommended that, upon review and consideration of the environmental consequences of the proposed project as evaluated in the Mitigated Negative Declaration, the Committee on Grounds and Buildings:

A. Adopt the Tiered Initial Study/Mitigated Negative Declaration.

B. Adopt the Findings and Mitigation Monitoring Program.

C. Approve the design of the Social and Behavioral Sciences Building, Irvine campus.

It was recalled that in November 2004, The Regents approved the 2005-06 Budget for Capital Improvements, which included the Social and Behavioral Sciences Building project at a sum of $43,400,000, comprised of preliminary plans ($2,280,000), working drawings ($570,000), construction ($35,150,000), and equipment ($2,700,000 from State funding and $2,700,000 from campus funds). The 2005 State Budget Act included funds for preliminary plans and working drawings. The 2006-07 Budget for Capital Improvements, approved by The Regents at the November 2005 meeting, includes an inflationary adjustment for the construction and equipment phases of the Social and Behavioral Sciences Building project, increasing the total project budget to $45,992,000. On January 17, 2006, The Regents approved an increase to the project cost by $10,000,000, for a total project cost of $55,992,000, to construct an additional 14,750 asf

of campus-funded office and dry laboratory space to help consolidate School of Social Ecology activities and release space on campus for reassignment to units currently in leased space or for other campus priorities. Construction funds are being requested in the 2006-07 Budget for Capital Improvements.

***Project Site***

The proposed project site is located in the campus core within the Social Sciences Quadrangle, adjacent to the existing Social Sciences Unit 2 complex. This location is currently occupied by a parking lot. This site is in conformance with the campus' Long Range Development Plan (LRDP).

***Project Design***

The Social and Behavioral Sciences Building will construct 78,850 asf (133,367 gsf) of space. Of this total, approximately 60,070 asf will be for the School of Social Sciences and the School of Social Ecology to provide teaching and research laboratories and academic and administrative office space, including 4,030 asf in general assignment computer labs and 14,750 asf will be for surge space to address other high-priority academic needs.

The project program has been divided into the research intensive spaces and the administrative and faculty office space. This division is reflected in the design of the building, with its laboratory wing and office wing. The elevator, stair tower, restrooms, and utility core are located in the space between the two wings.

The building is comprised of a basement and five floors above grade. It will be constructed of structural steel, with integral colored precast concrete skin with brick and tile accents, and clear vision windows that will complement and be a visual bridge with the Social Sciences Unit 2 complex. The materials and colors will reinforce the contextual design designated for the Social Sciences Quad. The sixth level will be bid as three alternates: Alternate No. 1 - shell the sixth level (14,750 asf); Alternate No. 2 - delete half of the sixth level and shell the remaining space (7,375 asf); and Alternate No. 3 - delete the sixth level in its entirety. The strategy of bid alternates will allow flexibility to align project scope with construction costs at the time of bid. The building has been designed to allow removal of the sixth level and still maintain architectural integrity and State program scope.

The primary entrance to the building is located off the Social Sciences Plaza that opens up to the common areas for the Social Sciences Unit 2 and the new Social and Behavioral Sciences Building. A 110-seat general assignment computer laboratory is situated on the ground floor and has direct access to a main pedestrian artery. Adjacent to the building's entry from the plaza to the sixth level is a welcoming exterior stair tower. The enclosed lobby houses the elevator, restroom, and utility core. This is situated at the mid-point of the two wings of the building and is repeated on each of the six levels.

This project will comply with the President's Policy for Green Building and Clean Energy Standards. The approach to site sustainability development focuses on preserving and enhancing the natural site ecology. The sustainability design will use the simplest and most durable technologies appropriate to the functional need and will incorporate passive energy-conserving strategies responsive to the local climate.

Sustainable design strategies for this project include low impact site development, natural storm water strategies, passive solar design, effective use of day light, energy efficient design, renewable energy strategies, indoor environmental quality, water conservation measures, environmentally preferable building materials, and waste reduction and recycling. The project will seek to attain a LEED equivalent rating of Certified at 27-30 points.

The design of the Social and Behavioral Sciences Building will be reviewed in accordance with University policy by an independent design consultant, independent seismic and structural consultant, and an independent cost estimator.

The campus Office of Design and Construction Services will manage the project. Outside consultants and testing agencies will be used as necessary. The Associate Vice Chancellor, Design and Construction Services, will perform project oversight.

***Environmental Impact Summary***

A Tiered Initial Study/Mitigated Negative Declaration has been prepared for the Social and Behavioral Sciences Building project in accordance with the California Environmental Quality Act (CEQA) and University Procedures for Implementation of CEQA. The 30-day public review period for the Draft Tiered Initial Study/Mitigated Negative Declaration began on March 17, 2006, and ended on April 17, 2006. During that time, various local, State, and federal agencies and service providers, as well as interested individuals and organizations, reviewed the Draft Mitigated Negative Declaration. Eight comment letters were received on the Mitigated Negative Declaration. Comment letters were received from the State Clearinghouse and Planning Unit, Irvine Ranch Water District, City of Irvine, Transportation Corridor Agencies, Caltrans, Orange County Fire Authority, Irvine Unified School District, and Southern California Association of Governments. Comments from the City of Irvine questioned the adequacy of the traffic impact analysis in the Draft Tiered Initial Study/Mitigated Negative Declaration. These comments do not raise environmental issues that were not adequately addressed in the Draft Tiered Initial Study/Mitigated Negative Declaration or the prior LRDP Environmental Impact Report (LRDP EIR), and no revisions to the Draft Tiered Initial Study/Mitigated Negative Declaration are warranted. None of the other letters commented on the adequacy of the Draft Tiered Initial Study/Mitigated Negative Declaration.

Implementation of the project would have no impact or a less than significant impact in the following environmental impact areas: aesthetics, agricultural resources; biological

resources; hazards and hazardous materials, hydrology and water quality; land use and planning; mineral resources; population and housing; and recreation.

The proposed project has the potential to have significant impacts to the following areas unless the recommended LRDP EIR mitigation measures described in the Mitigated Negative Declaration are incorporated into the project: cultural resources; geology and soils; noise; public services; transportation and traffic; and utilities and service systems. Furthermore, the proposed project has the potential to have significant impacts to air quality during the construction period unless the project-specific mitigation measure described in the Mitigated Negative Declaration is implemented. After adoption of the recommended mitigation measures, all potentially significant impacts would be reduced to less than significant levels. All mitigation measures would be monitored through the Mitigation Monitoring Program established for the LRDP.

***Findings***

The Findings discuss the project's impacts, mitigation measures and conclusions regarding adoption of the environmental documentation for this project in conformance with CEQA.

Associate Vice Chancellor Gladson showed slides of the project.

Regent-designate Coombs asked how the reduction of the gross square footage will affect instruction and whether photovoltaic had been contemplated. Ms. Gladson responded that the 15,000 square feet was removed by making the building and its corridors narrower. The assignable footage remains the same. Vice Chancellor Brase reported that studies of the Irvine campus environment have shown that high-performance glass provides the best protection from the sun. The campus is reviewing the possibility of having a third-party supplier establish a distributed solar array that would cover many campus buildings. In such arrangements, the roof space is leased to the provider, which guarantees an agreed-upon kilowatt hours in return, at a rate no greater that than charged by a utility.

In response to a question asked by Faculty Representative Brown about the loss of parking caused by the project, Ms. Gladson reported that a 2,000-space parking structure across the street from the project was recently completed. Mr. Brase noted that the increase of on-campus student housing had resulted in less need for students to drive, which has lessened traffic and the demand for parking.

Regent Juline asked whether the narrow hallways would be sufficient for the number of people using the building. Mr. Gladson responded that the majority of students would use only the first level, which is more open and has exterior access. She stated that the width of the hallways was changed from generous to adequate.

Regent Ruiz commented that the new building seems very close to its neighbors. Mr. Brase explained that because Aldrich Park occupies 14 acres of campus land, a disciplined level of building density is necessary to adhere to the campus' Master Plan.

Regent Hopkinson was complimentary about the way in which the Irvine campus has been developing. She asked whether the blue tile under the arcades was consistent with the campus' color pallette. Ms. Gladson described the blue as a zone color.

Due to the lack of quorum, action on the President's recommendation was deferred to the May 18, 2006 meeting.

[At this point, Regent Rominger joined the meeting.]

10. **SEISMIC PLAN UPDATE, LOS ANGELES CAMPUS**

Vice Chancellor Olsen reported that the campus' most recent efforts to improve the seismic safety of its structures began in 1985, nine years before the Northridge earthquake caused significant damage to several prominent buildings. The earthquake underscored the need to accelerate the completion of seismic repairs. The Regents authorized the first phase of the seismic upgrading program for health sciences facilities, including replacement of the Westwood and Santa Monica hospitals. That phase is near completion. Once phase one is complete, the volume of seismically deficient space will be reduced from 8.4 million gross square feet to 1.6 million gross square feet.

Vice Chancellor Blackman showed slides to illustrate the history of the seismic correction program. He recalled that in 1984 the campus totaled about 15 million square feet. In 2006 it has 26 million square feet. Of that, there are 8 million square feet have been constructed or retrofitted, and the campus infrastructure has undergone renewal. In 1984, the campus had 30 campus buildings that were seismically deficient, plus the 2.7 million square foot Center for Health Sciences. The second phase of seismic upgrades will focus on the health sciences area.

In response to a question asked by Faculty Representative Brown, Mr. Blackman explained that the health sciences buildings were built to the standard of their time but by modern standards are poorly designed from the view of seismic safety.

Mr. Blackman reported that the Center for Health Sciences has about 2.1 million gross square feet of seismically deficient space. The facility was impossible to retrofit, which would have to be done to more costly hospital standards. It will take between 12 and 15 years to complete the health sciences project because of the necessary sequencing and construction time. The first phase will cost about $700 million, depending on the ability to make program adjustments. The second phase is anticipated to cost about $950 million. The combined $1.7 billion total will be carried out over the 12 years. At the close of the cycle, the Center for Health Sciences will have been fully renovated.

Committee Chair Hopkinson noted that the changes that have taken place on the campus over the past several years have capitalized on its historic quality. The renovations and new buildings have created a positive new environment. She was encouraged by the optimistic seismic plan, which provides a basis for moving forward. She suggested that the seismic plan be presented to the Committee for approval.

Regent Juline encouraged the protection of open space on the campus in the area that houses the health sciences. Mr. Blackman believed that the situation provides an opportunity to create a more campus-like environment.

Staff Advisor Miller expressed the concern that staff, faculty, and students may not be aware of the campus' seismic correction plan. He was hopeful that it would be communicated to these groups.

Dean Levey discussed the David Geffen School of Medicine, which ranks 11th out of the 126 schools of medicine in the United States. This year it received 6,000 applications for 121 places. It takes 24 students a year from the Charles R. Drew University of Medicine and Science, located in south Los Angeles. These students take their basic science years at the Geffen school and return to Drew for their final two years. They graduate with UCLA degrees. The Geffen school takes 24 third- and fourth-year students a year from UC Riverside. These students complete all their clinical training there and graduate with a UCLA degree. The school ranks eighth nationally in research funding from the National Institutes of Health. Other sources of funding include the Department of Energy, Department of Finance, and the National Science Foundation. The medical school receives over 80 percent of the NIH funding at UCLA. Historically, research has driven the clinical programs, which, along with the hospital, are staffed by the physicians of the David Geffen School of Medicine. The Ronald Reagan UCLA Medical Center has ranked among the top five hospitals in the country since the ratings were instituted 16 years ago. The Linda and Stewart Resnic Neuropsychiatric Hospital ranks in the top ten in the country.

Dr. Levey stated that the quality and excellence of the schools must be maintained. Nationally, the Association of American Medical Colleges asserts that increases of up to 30 percent in class size will be necessary in order to meet national needs. The State also wishes that enrollments be increased. The University cannot expand these programs until it has an education building. Scientists need a safe space in which to work, and their laboratories must be kept up to date.

Committee Chair Hopkinson asked how the seismic corrections project related to the five-year capital plan and whether it was consistent with the Long Range Development Plan. Vice President Hershman explained that the five-year capital plan needs to be redone for UCLA. Vice Chancellor Olsen reported that he was working with Mr. Hershman's office to structure changes to the plan. Regent Hopkinson believed it would be beneficial to plan for the longer term. She believed the needs and program requirements for the medical schools need to be reviewed in a consolidated context rather than in isolation. Mr. Hershman recalled that the University had minimal money for capital outlay for a

ten-year period, yet it managed to meet many of the campus' needs for health sciences facilities. He advocated developing priorities for the future within whatever funding is available or can be raised or financed. Regent Hopkinson observed that all of the University's medical centers need to be protected and enhanced and that to do so will require making some difficult decisions.

11. **UC DAVIS MEDICAL CENTER PRESENTATION OF CAMPUS VISION FOR FUTURE DEVELOPMENT**

It was recalled that the School of Medicine at UC Davis was established in 1966. In 1973, the University entered into an affiliation agreement with Sacramento County to use the county hospital as the teaching hospital for the school. In 1978, the University acquired the Sacramento County Hospital and grounds.

The Long Range Development Plan approved in 1989 has been the basis for capital development at UCD Medical Center since that time. The campus expects to engage in major new academic, research, and healthcare initiatives in the future.

Vice Chancellor Pomeroy described a vision for the Sacramento campus at UC Davis, integrating patient-centered clinical facilities with an academic core that includes a park-like environment as its centerpiece. She discussed the programmatic and consequent physical context for projects pending over the next few years.

Dr. Pomeroy described the mission and strategic vision which guides the ideas for the development of physical facilities on the Sacramento campus. The medical center's core mission is to discover and share knowledge to advance health. This is done by providing students with the skills needed for success in medicine, through leadership in research, through exceptional patient care, and by fully engaging the northern and central California communities that surround it. The UC Davis health system is young and dynamic, with research and clinical programs that are growing rapidly. Its hospital is operating at near capacity. Its 50,000 square mile service area includes some of California's most rapidly growing communities. UC Davis Medical Center has the capacity for significant growth. The 140-acre campus enjoys strong community support. It is positioned to achieve some well-defined strategic priorities.

Dr. Pomeroy reported that the medical center's strategic plan includes four focus areas: cancer, vascular disease, neuroscience, and infectious disease. Its cancer center, which operates at near capacity also, has a partnership with Lawrence Livermore National Laboratory. The vascular program has multidisciplinary research and clinical teams that are tackling heart disease, stroke, and obesity. The neuroscience program is part of a campuswide initiative that includes several programs and facilities in both Sacramento and Davis. Within each area, how culture and gender influence health is studied, with the ultimate focus on promoting lifelong health. As the academic and clinical missions are accomplished, collaboration and partnerships are emphasized, all focused on improving health outcomes. The trauma program for the Sacramento community is the only level one trauma center in the region. The medical center also cares for the region's most

critically ill and injured children. The center is nationally recognized as a leader in telemedicine, which reaches a very wide service area. Its regional outreach program leverages the telemedicine program and concentrates on improving healthcare in rural areas. UC Davis has a talented multidisciplinary team of scientists focused on cutting edge science and research.

Dr. Pomeroy stated that the vision for the Sacramento campus provides the flexibility to accommodate significant education, research, and clinical program growth. It integrates a large and vibrant academic campus with the neighborhoods that surround it. It has thriving clinical and research programs, substantial room for growth, a clear vision for the campus, and a plan for how to reach its goals.

Executive Director Boyd provided an overview of the campus and described opportunities and challenges. He noted that the Sacramento campus includes the UC Davis Medical Center, the area's busiest hospital, averaging 3,000 patients a day. It is necessary to provide them with a safe, comfortable, well-organized, and easily navigated environment. It should also be a good place in which to work and learn.

Mr. Boyd noted that academic medical centers have much in common. From a planning perspective, they have to address the same challenges, among which are a large volume of patients and visitors, dense inpatient complexes, and year-round operations that require easy access and convenient parking for patients and families. For the most part, the community surrounding the Sacramento campus is residential. The main hospital is at the northwest corner of the site, the Ellison Ambulatory Care Center to the east, research buildings in the center, and the MIND Institute to the southeast. In some respects these areas function as islands, each with its own parking, open space, courtyards, and other amenities. The Shriner's Hospital for Children is directly south of the main hospital, and the campus is also adjacent to an elementary school and the State Department of Justice. In developing the campus vision, several interrelated issues were considered: growth, density, vehicular circulation, landscaping, identity, community contacts, and sustainability. The campus currently relies on surface parking. The vision anticipates that at least two additional parking structures will be built in the future; these will provide parking where needed but will also release land for open space as well as new clinical, educational, and research facilities. Another key to creating the best environment lies at the center of the Sacramento campus, the site of the new education building. In time, the core will be expanded to the south to accommodate future research development. It will include a park-like setting for major campus events such as graduation and will give the students and staff a place to decompress. While much has changed since the 1989 Long Range Development Plan was adopted, the fundamental design concept for the academic core remains the same.

Manager Rush described in more detail the plan for achieving the goals described above. He focused on the principles used to guide campus development. The objective is to leverage the advantages of the site to create an integrated campus with a unique identity. Land use planning must support institutional goals, provide clear pedestrian and vehicular circulation patterns, and be respective of neighborhood concerns while stewarding

campus resources. With nearly 1 million visitors annually, it is important to have a robust vehicular circulation framework and clear campus entries. The Stockton Boulevard and X Street approach for inpatient, outpatient, and educational facilities will do this, as will the Second Avenue approach for research facilities to the south. Secondary campus entries to the south are also from Broadway at 48th and 50th Streets. Residential neighborhoods to the north and east will be respected by avoiding a perimeter road, reflecting a longstanding commitment to neighbors to limit traffic impacts on the surroundings. Future parking structures will concentrate campus parking close to the highest demand areas and will release open space for future development.

The academic core will become the heart of the campus. This area offers a unique opportunity to have a distinct academic core at the center of the site, fully integrated with the medical campus around it. With the completion of the education building this year, the cornerstone of this core will be in place. The core includes the capacity for growth, and there are several other potential building sites throughout the campus. Future research buildings along Stockton Boulevard will be a powerful visual announcement of the commitment to discovery and the role as a major research institution.

Campus landscape is an important part of the vision and is critical to the wellbeing of faculty, students, and visitors. The 1994 campus landscape master plan established principles for a cohesive campus architectural design. The principles provide a framework to connect campus facilities in a way that facilitates communication and access. Trees are one of the most important landscape strategies for integrating the campus. They help bring character and provide a sense of place. The guidelines indicate double rows of trees on major boulevards to mark the roadways' importance and to provide shade.

Pedestrian linkages flow through the central core to other major elements of the campus. The main pedestrian connection between the hospital and the Nelson Ambulatory Care Center goes through the middle of the education building, centering the educational mission between the two major clinical facilities. Pedestrian corridors through the campus differ in character from the sidewalks along streets. They are more curvilinear and organic.

Many clinical studies point to the use of landscaping as an aid to healing. Patients, families, and staff use outdoor spaces for emotion relief from stressful conditions. Along the pedestrian corridors between buildings, smaller pedestrian spaces are being created that are low-scaled and intimate. Outdoor artwork provides life-affirming and joyful content. The overall campus identity is strengthened and the connections between buildings by using standardized light fixtures, furnishing, and trash containers.

One of the biggest challenges is the diversity of the architecture. Some buildings date back several decades. There is a mix of architectural styles. An effort has been made during the last ten years to create a more consistent building style. Since the early 1990s, most new buildings have used light-colored precast concrete as the dominant exterior material. Exterior glazing with a blue-green tint helps to cool buildings. Exterior shading

devices protect the glass and emphasize horizontal lines, which helps to humanize the building scale. This clean, uplifting expression conveys the sense of a contemporary healthcare system in a style that will age gracefully. With the exception of the main hospital and the Stockton Boulevard corridor, low to midrise buildings are appropriate for Sacramento and the neighborhood context. Even so, there will be higher floor area ratios in the range of 2 to 4 in most new buildings. This strategy strikes a reasonable balance between density, site use, and a patient family friendly scale. Trellises and breezeways will keep the scale of midrise high density buildings manageable while extending the concepts of shaded walks from the landscape into the building architecture.

Dr. Pomeroy reported that the plan that has been developed for the campus reflects a blueprint for the future of medicine where there is collaboration and teamwork that brings together students, scientists, teachers, and patients in pursuit of a common goal which is supported by an optimal physical environment.

Committee Chair Hopkinson reported that she had been very impressed during her visit to the Sacramento campus.

In response to a question asked by Faculty Representative Brown, Dr. Pomeroy noted that the campus' academic, research, and clinical core areas are becoming more integrated with each project. In response to a follow-up question by Regent Juline, Dr. Pomeroy reported that the Sacramento campus collaborates with scientists also at the Davis campus and Lawrence Livermore National Laboratory. The School of Medicine has a presence on both the UC Davis campuses.

Regent Juline asked whether the problem of escalating healthcare costs was being addressed. Dr. Pomeroy believed that academic health centers must be integrated with their communities. At Davis, telemedicine, the regional hospital system, and the primary care network facilitate these interactions. Not only are community-based research and education better, they may be more cost effective than tertiary or quaternary care facilities. Working in collaboration with other UC schools of medicine is also cost effective. She cited the use of tele-interpreting as an example of cost effectiveness that has had positive reactions from patients. She anticipated that as telemedicine spreads to the other UC campuses, opportunities for working collaboratively and with cost-effectiveness will be enhanced.

In response to a question about charity care asked by Regent Juline, Dr. Pomeroy explained that UCDMC is a safety-net hospital. UC Davis Health System provides over $150 million a year in uncompensated care. The other partners in health care need to join in addressing the issue together. The ultimate solution to cost effectiveness will be through policy development.

Faculty Representative Brown asked about the medical center's role in migrant health. Dr. Pomeroy responded that many experts are working to lessen the disparities in health care for the migrant population. It is cost effective to intervene early with appropriate

programs. The medical center has recently started a center for reducing the disparities among all populations.

Committee Chair Hopkinson asked how the medical center's plan fits into the campus' Long Range Development Plan approval process and the five-year capital plan. Manager Rush responded that the medical center is undertaking an update of its Long Range Development Plan. Regent Hopkinson reported that the update should address the integration with the neighborhoods on the streets and boundaries of the medical center campus. She noted that there are parking structures in some locations the impact of which might be mitigated by creating buffers between the structures and the streets. She asked that the Long Range Development Plan include a strategy for landscaping that will enhance the experience of pedestrians.

Regent-designate Coombs asked whether there would be any type of open space made available to nearby residents and their children. Associate Director Boyd reported that the community at large looks upon the campus as an extension of their yards. The campus meets regularly with the heads of all the local neighborhood associations to discuss planning.

In response to a question asked by Regent Juline, Mr. Boyd reported that the medical center has routine shuttle service to the nearby light rail line.

12. **UPDATE ON CAMPUS HOUSING STUDY, SANTA BARBARA CAMPUS**

Chancellor Yang commented that the Santa Barbara campus is striving for quality, diversity, and excellence. Its incoming freshman class includes 3,456 Chicano and Latino students and 140 Native American students. The campus hopes to be the first in the UC system to qualify for federal support for a Hispanic Educational Institute. The incoming freshman class has an average GPA of 3.92. Since 1998, five professors have won the Nobel Prize. The campus needs a first-class infrastructure to match its academic prestige and advancement. With the addition of the new San Clemente student housing project, the campus has 976 beds and parking spaces for graduate students. Additional faculty and staff housing is planned for the west campus. He acknowledged Regent Hopkinson for her gift to fund a new entrance to the campus that will begin construction in June.

Executive Vice Chancellor Lucas discussed the basis of the physical plan for the campus and the housing capacity study. He reported that the campus is in the middle of planning its next Long Range Development Plan. The planning horizon is set at 2025 to correspond to UC as a whole. The draft academic plan is in its second stage. The campus is capped at 20,000 students. The proposal is to grow to 25,000 by the year 2025, a growth of about 1 percent per year for both undergraduate and graduate students. Graduate enrollment is planned to increase from 13 percent to 17 percent of the student population. Mr. Lucas noted that during the time period addressed by the plan, the campus will experience a turnover of well over half of the faculty and staff that will have an impact on housing needs.

Mr. Lucas reported that the next steps are to redraft the academic plan. The elements of the Long Range Development Plan will be integrated over the summer into a draft plan to be presented to the campus and community. Local elected representatives, planning agencies, and local interest groups have been consulted during the year in an effort to create a plan that is consistent with the community's growth.

Associate Vice Chancellor Fisher showed slides of the campus. He noted that as old military buildings, trailers, and temporary buildings are removed, opportunities will arise for opening up the campus and connecting its open spaces to the mountain and ocean scenery. He displayed the current distribution of housing on the campus and where it is planned to be added. It will be challenging to address the lack of affordable housing in Santa Barbara, to enhance the flow of traffic, and to change the culture of neighboring Isla Vista. The campus hopes to build mixed neighborhoods rather than individual projects.

Mr. Fisher described the plan that is emerging. A series of neighborhoods, densely clustered, will surround park land and will be within walking distance of the core campus and Isla Vista. Poorly designed roadway systems will be transformed from a block system into more of a grid system. The current bikeway system will be expanded and integrated in order to cut down on the number of vehicles coming to campus.

The Ocean Road neighborhood takes advantage of a piece of land between the core campus and the community on the west edge. The housing types there will be diverse, employing a courtyard design. Parking will be largely hidden in the center of the complexes. Architecture will be enhanced with architectural details such as trellises, staircases, and awnings. The second neighborhood, the Storke neighborhood, on the north portion of the campus, is a priority for replacement. The current 300 units of housing will be replaced with 800 units. Parking structures will be placed at the core of each building group so that the perimeter housing will be presented with attractive vistas. The housing will be designed so that the interiors may be configured in a number of ways. Undergraduate residence halls will be concentrated in the southwest corner of campus. The roughly 700 units of housing now there will be removed, potentially to be replaced by integrated living and academic space.

Committee Chair Hopkinson recalled that in 2003 the campus presented a visionary plan for the campus. That plan began a process to take better advantage of the beauty of the campus' location. She commented that the current plan enhanced the first in exciting ways.

Regent-designate Ledesma asked whether student input was sought concerning housing configurations. Mr. Lucas responded that faculty, staff, and students were consulted about housing preferences. The staff were the most vocal about the need for housing. Chancellor Yang added that a student housing advisory committee provides opportunities for student input concerning housing planning.

Staff Advisor Miller asked about the housing allocation for staff. Mr. Lucas responded that there was also a staff advisory committee on housing. Chancellor Yang reported that he had met with staff members concerned about the effect of the increase of gasoline prices on their commutes. The distribution of new housing among faculty, staff, and students will need to be addressed through a consultative process that recognizes the addition of 5,000 students during planning period.

Regent-designate Coombs supported the neighborhood approach to housing. He believed the new plans will provide better opportunities to take advantage of the attractive physical setting and environment of the area. He was pleased to see that they seem to promote a more sustainable model in terms of better access to pedestrians and cyclists. He also supported the idea of camouflaging the parking and possibly integrating living and learning environments. In response to a question he asked about the campus boundary, Mr. Fisher commented that the campus hopes to influence the edges where the campus meets Isla Vista by changing the demographics through the addition of older residents who will help change the area from a student to a university community.

Regent Shilling asked whether it would be financially advantageous to buy existing Isla Vista properties. Chancellor Yang reported that the campus does occasionally buy properties there. Francisco Torres, which the campus bought in 2002 for $80 million, has become the first housing choice of freshmen.

At the request of Regent-designate Coombs, Mr. Fisher displayed a slide showing the location of the new alumni visitors' center on campus. The building, which is under construction, is in the campus core near the new campus entrance.

Regent Hopkinson asked when the academic plan would be ready for submission to the Committee on Educational Policy. Mr. Lucas noted that the plan develops as a process, but he believed that enrollment, composition, and program development plans will be integrated into the Long Range Development Plan this summer. The next draft of the academic plan will be available for viewing on the campus website.

Regent Juline asked for details about the faculty housing. Mr. Lucas responded that it was a combination of rentals and ownership, which carries restriction on resale. There are 65 units of faculty housing on the west campus where employees are allowed to remain following their retirement.

Mr. Fisher reported that the Long Range Development Plan is anticipated to be presented to The Regents in November 2007. At that meeting, certification will be sought for the plan's Environmental Impact Report. Coastal Commission approval will be sought following Regental approval.

Vice President Hershman suggested determining whether it would be advantageous to discuss with the Regents prior to requesting their approval any Long Range Development Plan perceived to be controversial. Chancellor Yang believed it would be wise to do that

in the case of the Santa Barbara campus. Regent Hopkinson suggested presenting it to this committee before it is made final.

13. **UPDATE ON IMPLEMENTATION OF COST REDUCTION STUDY RECOMMENDATIONS**

Vice President Hershman believed that the University could be proud of its record of the past 20 years in terms of being able to provide needed facilities, accommodate enrollment growth, and meet seismic requirements. Unfortunately, it has become challenging to preserve that record. Many projects have needed funding augmentations because the construction bidding climate has become so competitive. Priorities have become an important consideration.

Mr. Hershman stated that the strategy for addressing the current situation must include working closely with the campuses to ensure that each has processes in place that provide the best solutions for dealing with facilities needs. Although most of the campuses do a very good job, those processes may benefit from review. A second area to be dealt with is State legislation. The Department of Finance has not been amenable to changing legislation that affects the University's capital program adversely. Together, the University and the California State University system intend to pursue opportunities with the Department of Finance and the Legislature to make changes in statute that would be helpful in terms of achieving cost savings on projects. Mr. Hershman believed it would be helpful to form a small working group consisting of administrative vice chancellors and budget and planning officers to rethink what could be done to achieve additional savings on projects, which is becoming an increasingly important priority. The University has many needs that are going unmet because of insufficient funds. He believed it would be useful to undertake some informal discussions between individual Regents and legislators in an attempt to secure allies and move forward on this issue.

Regent Juline recalled that a work group that included outside volunteers had provided a study containing recommendations for improving construction processes and lowering costs. He had anticipated that these recommendations would be acted upon rather than discussed further. Vice President Hershman noted that those recommendations are being implemented to the extent possible, but he believed that more was needed. The University cannot implement them all without help from the State. He believed a campus group might be able to provide good ideas. Regent Hopkinson suggested that a report be provided showing the status of the recommendations from the existing report.

The Committee recessed at 3:15 p.m.

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The Committee reconvened on May 18, 2006 at 11:50 a.m. with Committee Chair Hopkinson presiding.

Members present: Regents Dynes, Hopkinson, Juline, Kozberg, Parsky, Ruiz, and Schilling; Advisory members Coombs, Ledesma, Brown, and Miller

In attendance: Regents Blum, Gould, Island, Marcus, Pattiz, Preuss, Rominger, Rosenthal, and Wachter, Faculty Representative Oakley, Secretary Trivette, General Counsel Holst, Interim Treasurer Berggren, Acting Provost Hume, Senior Vice President Darling, Vice Presidents Broome, Foley, Gomes, and Hershman, Chancellors Birgeneau, Carnesale, Fox, Tomlinson-Keasey, Vanderhoef, and Yang, Acting Laboratory Directors Kuckuck and Miller, and Recording Secretary Bryan

Upon motion duly made and seconded, the Committee approved the President's recommendations from the May 16 meeting and, with the exception of item 9, which was approved under Committee authority, voted to present them to the Board.

The meeting adjourned at 11:53 a.m.

Attest:

Secretary