

The Regents of the University of California

COMMITTEE ON GROUNDS AND BUILDINGS

January 16, 2007

The Committee on Grounds and Buildings met on the above date at UCSF-Mission Bay Community Center, San Francisco.

Members present: Regents Coombs, Hopkinson, Johnson, Kozberg, Ledesma, and Schilling; Advisory members Allen, Brown, and Bugay

In attendance: Acting Secretary Shaw, General Counsel Robinson, Provost Hume, Vice President Hershman, Chancellors Vanderhoef and Yang, Acting Chancellor Blumenthal, University Auditor Reed, and Recording Secretary Smith

The meeting convened at 11 a.m. with Committee Chair Kozberg presiding.

1. **PUBLIC COMMENT**

Committee Chair Kozberg conducted a public comment period for the purpose of hearing from those who wished to comment on University-related matters and matters on the Committee's agenda. The following persons addressed the Board concerning the items noted.

Item 109: Adoption of Initial Study and Mitigated Negative Declaration and Approval of Design, Biomedical Sciences Facility, Santa Cruz Campus

- A. Honorable Emily Reilly, Mayor of Santa Cruz, noted that the long relationship between the City of Santa Cruz and the University has real conflict. This relationship is more difficult now, as evidenced by the recent ballot measures and the city government's lawsuits over the EIR for the LRDP. She stated that if The Regents goes forward without a proper EIR, the assertion that UC wants to work with the City will be seriously undermined, and the City of Santa Cruz will challenge it.
- B. Mr. Greg Larsen, Director of Planning, City of Santa Cruz, commented on the UC responses to the City's letter of concern. He stated that the responses were inadequate with respect to the real issues faced by the city, specifically with regard to water use, fire, hazardous material, traffic, storm water runoff, and the population growth planned both on campus and off campus.
- C. Mr. Ken Thomas, Principal Planner, City of Santa Cruz, entered into the record a letter from the City's CEQA counsel in Sacramento. The letter expressed concern about the failure to comply with the requirements of the

California Environmental Quality Act. He stated that the LRDP process has been problematic from the beginning.

- D. Mr. Neal Coonerty, Third District Supervisor, speaking on behalf of the City of Santa Cruz, stated that while UCSC is a great asset, its growth has strained housing, traffic, and water supply. The residents of Santa Cruz voted in favor of two ballot measures demanding that the University stop growing unless and until significant growth impacts are mitigated.
- E. Mr. Christopher Cheleden, Assistant County Counsel, stated that, although the University agreed in a 1988 LRDP that EIRs would be prepared for any project over \$2 million, no such commitment was made for this project. He stated there were ten lawsuits challenging the UCSC expansion. He submitted the Legislative Analyst's Report into the record.
- F. Mr. Paul Marcelin-Sampson, student at UC Davis, stated that the opponents of this facility do not speak for the whole Santa Cruz community. Many in the community, particularly young people who need the educational and economic benefits and opportunities that UCSC provides, support this project. He noted that the project reflects a strong commitment to the environment.

Item 113: Annual Report on Green Building, Clean Energy, and Sustainable Transportation Policy

- G. The following students spoke regarding the UC Sustainable Food Systems initiative: Mr. Luis Sierra, Ms. Maren Poitras, Ms. Shauna Seager, and Mr. Tim Galarneau. They explained that students from the California Student Sustainability Coalition, working in concert with student governments, the student Regent, the Office of the President, and housing directors, seek a University commitment to sustainable food systems – specifically, the creation and implementation of clear guidelines that prioritize local, organic, humane, and socially responsible purchasing, as well as waste reduction and green dining facility standards. They stated that having statewide endorsement and guidance will allow the University system to set minimum threshold standards, baseline indicators, and metrics for best practices for contracted and in-house food service vendors and facilities. On January 24, 2007, statewide stakeholders will meet at UC Irvine to discuss the statewide policy guidelines for food services. The students expect to present a formal request at the March meeting that The Regents sanction the guidelines, and at the January 2008 meeting that the guidelines be incorporated into the existing Green Building, Alternative Energy, and Transportation Policy.
- H. Mr. Tommaso Boggia, student at UC Santa Barbara, urged The Regents to support the new policy initiative from the Office of the President. He

explained that the efforts by students to increase their campus' sustainability are financially straining, and asked The Regents to take measures to alleviate the weight of sustainability from the students by placing it on the University.

- I. Ms. Rachel Shiozaki, student at UC Santa Cruz, reviewed how UC Santa Cruz students have worked to reduce the campus' ecological footprint, including providing organic produce, putting forth renewable energy ballot measures, reducing greenhouse gas emissions, and establishing a ride share program.

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

Upon motion duly made and seconded, the minutes of the meetings of November 14, 2006 and December 5, 2006 were approved.

3. **REPORT ON THE 2007-08 GOVERNOR'S PROPOSED CAPITAL OUTLAY BUDGET FOR UNIVERSITY OF CALIFORNIA**

Committee Chair Kozberg asked Vice President Hershman and others to comment on the Legislative Analyst's Office report that was referenced in the public comment period. She explained that it was important that this report come to the Committee's attention before action is taken on Item 109, Adoption of Initial Study and Mitigated Negative Declaration and Approval of Design, Biomedical Sciences Facility, Santa Cruz Campus.

Vice President Hershman began with the Governor's budget. He was pleased to report good news, since the Governor's budget once again reflects The Regents' priorities with respect to capital outlay and provides full funding for the capital budget.

With respect to the Basic General Obligation (GO) Bond Proposal, Vice President Hershman noted that The Regents approved a budget of \$316 million. Aside from a deferral of one project at the request of the Riverside campus, every other project was approved as proposed by The Regents.

Regarding the Medical School/Telemedicine Program, for which there was specific GO bond authority approved by the public for expansion of UC medical schools and the use of telemedicine, he reported that the Governor included the entire amount of money, \$199 million. This was approved as a package; every project will have to be reviewed individually for each of the five medical schools. The Regents' budget included four of those for expansions at Irvine, Sacramento, San Diego, and San Francisco. There was no proposal at the time for UCLA. With this authority, once the UCLA proposal is submitted it could move forward with Regental approval.

The Helios project at Lawrence Berkeley Laboratory was approved as part of The Regents' budget proposal, and it was retained in the Governor's budget.

Finally, the Governor has committed to \$40 million of matching money if either the Berkeley or San Diego campus wins an international competition conducted by British Petroleum (BP). There is a substantial amount of money available from this competition, perhaps \$500 million committed by BP for these initiatives related to energy. Two UC campuses, Berkeley and San Diego, are in the finals for this grant out of five competitors worldwide. If either wins, this \$40 million will be available to provide facilities for this energy related research.

The total Governor's budget is \$573 million dollars. Vice President Hershman also was pleased with the Governor's initiative with respect to additional GO bond funding for education, including the University of California. The Governor had a ten-year plan for bond issues; the current bond issue for education is two years, so a commitment was made for another eight years of funding for education, \$345 million per year, with the suggestion of bond issue votes by the public in 2008 and 2010. A total of \$2.7 billion of additional money will be available to UC if the public votes for these bond issues. Vice President Hershman commented that overall the budget represents a vote of confidence.

Regent Schilling asked when the BP proposal will be announced. Vice President Hershman stated that the campuses should have an idea within the next few weeks of whether they will win the award.

Vice President Hershman introduced Director of Long Range Planning Director Heinecke to deliver the Legislative Analyst's Office (LAO) Report. Ms. Heinecke worked with the legislative analysts as they reviewed the UC process. The Assembly will discuss the LAO report and receive testimony at an upcoming hearing. Director Heinecke briefly summarized the report and recommendations. In December 2005, Assemblyman Laird asked the Legislative Analyst's Office to undertake a study of UC's long range development planning process, and to review the campuses' processes to prepare long range development plans, to assess the fiscal impact that UC campus expansion plans present to the surrounding communities, and to discuss possible improvements to those processes. The Legislative Analyst's Report, which was issued January 11, is entitled "A Review of UC's Long Range Development Planning Process." During the course of the study initiated last May, staff from the LAO's office visited the Davis, Riverside, and Santa Cruz campuses to review in detail the process each campus used in developing its LRDP. UCOP staff also provided the analysts' staff with substantial material about UC long range planning processes.

Director Heinecke explained that an LRDP is a land use and infrastructure plan that guides the physical development of a campus based on academic program goals and projected student enrollment levels. LRDPs, although not a State requirement, have been required by Regent's policy for over forty years.

The Legislative Analyst's Report included six recommendations related to the process to developing LRDPs and long term enrollment projections. They focused primarily on enrollment and the process, not on the land use plans themselves.

- A. The LAO recommended that the Legislature provide greater oversight to UC LRDPs, looking at how campus long-term goals are aligned with statewide priorities, and on issues of growth. It recommended that UC provide copies of draft LRDPs to the Legislature at the same time they are made available for public review. There was also a suggestion that the Legislature has hearings, but it was not specific about what the Legislature might do with the draft LRDPs, just that there would be a formal review.
- B. The LAO recommended that UC should have standard and specific requirements for campuses regarding the level of public involvement in the LRDP process. Campuses have general guidelines for development of an LRDP, but each campus develops its own public outreach process that is specific to the situation in which it exists with its local community.
- C. The LAO recommended that the Legislature require UC to use systemwide enrollment projections in each campus' LRDP, and asked that systemwide enrollment projections through 2020 be developed. Director Heinecke noted that this effort is underway and Provost Hume will be reporting on these Academic Planning efforts the following day.
- D. The LAO recommended that UC campuses make better use of summer term to accommodate additional students so that less construction is required on the campus. Director Heinecke stated that UC has made a commitment to increasing summer term, now fully funded by the State budget.
- E. The LAO recommended that the Legislature improve the environmental review process under CEQA, not just for UC but for all agencies that use CEQA, by clarifying language and improving definitions, and in particular providing better guidelines on what constitutes a feasible mitigation measure and what kind of alternatives need to be examined in an EIR.
- F. The LAO recommended that UC report to the Legislature on what steps it will take to reach agreements with local public agencies regarding the mitigation of its share of environmental impacts, particularly those that occur off the campus. Director Heinecke stated that recent LRDP EIRs have included language that discusses UC's negotiating its fair share of the cost of these off-campus impacts.

Director Heinecke reported that these recommendations will be discussed with the Legislature over the next several months.

Regent Hopkinson stated that she reviewed the report and agrees with much of it. She has a concern that the legislative review has missed some important points. She asked if the reviewers interacted significantly with UC. Director Heinecke stated that they had many meetings to explain the LRDP and CEQA process and gave extensive documentation including internal guidelines and all LRDPs and EIRs. Regent Hopkinson was concerned about the statement that UC wants to expand primarily graduate enrollment because the number of high school graduates is expected to decline. She stated that this was not accurate in that the desire to increase graduate enrollment relates to the desire to do research and that the graduate enrollment ratio has eroded over time. Regent Hopkinson expressed the importance of communicating this in a broader sense. Vice President Hershman noted that UC will have opportunity to testify at the hearing and those points will be made.

Regent Hopkinson also noted that the report states that UC has not reached a fair share agreement, implying that UC does not have agreements to make payments in communities, which is not true. Director Heinecke stated that the reviewers were given a list of the payments UC has made over the years to local communities. Regent Hopkinson expressed concern that this is not reflected in the documents, and requested information regarding the payments made to communities, believing them to be extensive. Vice President Hershman commented that only some campuses have been able to negotiate these payments.

Committee Chair Kozberg commented that in addition to giving testimony, UC should also give a response in writing for the record. Vice President Hershman agreed, noting that in this way the response could be distributed to all legislators.

In response to a question asked by Regent-designate Bugay, Vice President Hershman stated that the Legislative Analyst's Office makes a report on UC's budget every year. Regent-designate Bugay stated that he was surprised by the pointedness of some of these observations and criticisms. Vice President Hershman responded that this is consistent with the history of the Legislative Analysts' criticizing some of UC's budget proposals, including both operating and capital, but he noted that on the capital budget UC has won every debate. UC representatives hope to persuade the Legislature to recognize the facts. There are also debates over operating budgets, enrollments, financial aid funding, and student fees.

4. **AMENDMENT OF THE BUDGET FOR CAPITAL IMPROVEMENTS AND THE CAPITAL IMPROVEMENT PROGRAM AND AMENDMENT OF EXTERNAL FINANCING FOR STANLEY QUANTITATIVE BIOSCIENCES AND BIOENGINEERING FACILITY, BERKELEY CAMPUS**

The President recommended that:

- (1) The 2006-07 Budget for Capital Improvements and the Capital Improvement Program be amended as follows:

From: Berkeley: Stanley Quantitative Biosciences and Bioengineering Facility: – preliminary plans, working drawings, construction, and equipment – \$143,296,000 total project cost, to be funded from gifts (\$93,421,000), the State through the California Institutes for Science and Innovation (\$34,875,000), and external financing using the “Garamendi” funding mechanism (\$15,000,000).

To: Berkeley: Stanley Quantitative Biosciences and Bioengineering Facility: – preliminary plans, working drawings, construction, and equipment – \$143,296,000 total project cost, to be funded from gifts (\$43,421,000), the State through the California Institutes for Science and Innovation (\$34,875,000), and external financing (\$65,000,000).

Deletions by strikeout; additions by underscore

- (2) The President be authorized to obtain external financing not to exceed ~~\$15,000,000~~ \$65,000,000 to finance the Stanley Quantitative Biosciences and Bioengineering Facility project, subject to the following conditions:
- a. Interest only, based on the amount drawn down, shall be paid on the outstanding balance during the construction period.
 - b. The Berkeley campus’ share of the University Opportunity Fund shall be pledged for payment.
 - c. The general credit of The Regents shall not be pledged.
- (3) ~~The President be authorized to obtain standby financing not to exceed \$22,675,000 and interim financing not to exceed \$70,746,000, for a total of \$93,421,000, prior to awarding a construction contract for any gift funds not received at that time and subject to the following conditions:~~

- a. ~~Interest only, based on the amount drawn down, shall be paid on the outstanding balance during the construction period.~~
 - b. ~~The Berkeley campus' share of the University Opportunity Fund shall be pledged for payment.~~
 - c. ~~The general credit of The Regents shall not be pledged.~~
- (3) The Officers of The Regents be authorized to provide certification to the lender that interest paid by The Regents is excluded from gross income for purposes of federal income taxation under existing law.
- (4) The Officers of The Regents be authorized to execute all documents necessary in connection with the above.

Vice President Hershman and Vice Chancellor Denton presented the request for financing the Stanley Quantitative Biosciences and Bioengineering Facility project. This project is the construction of a 155,000 asf facility to provide replacement space for the seismically unsafe and programmatically deficient Stanley Hall; house the California Institute for Bioengineering, Biotechnology, and Quantitative Biomedical Research (QB3); and establish the Bio Nanotechnology Center for a second institute, the Center for Information Technology Research in the Interest of Society (CITRIS). The construction is 99.5 percent complete and will be completed February 2007.

Since the project is nearing completion, the Berkeley campus requests the conversion of approved interim financing of \$50,000,000 for a charitable remainder unitrust to long-term external financing. Additionally, the Berkeley campus requests to change the status of the \$15,000,000 long-term financing under the "Garamendi" mechanism, which allows increased federal indirect cost recovery generated as a result of new buildings to pay debt service and maintenance costs, to "non-Garamendi" external financing supported by Opportunity Funds. This change will allow the campus to simplify the future reporting and funding mechanisms for the facility's debt service, operations, and capital renewal needs. The proposed financing actions do not change the total approved project cost of \$143,296,000 at CCCI 4305. If approved by The Regents, the resulting project would be funded from gifts (\$43,421,000), the State through the California Institutes for Science and Innovation (\$34,875,000), and external financing (\$65,000,000).

It was recalled that the Stanley Quantitative Biosciences and Engineering Facility will be supported in part by a separate previously approved project, Stanley Hall Seismic Mitigation, which will contribute \$18,994,000 (\$725,000 of gift funds for preliminary plans and \$18,269,000 of State funds for working drawings and construction) toward providing seismically safe space for programs of the Department of Molecular and Cell Biology which were housed in the former Stanley Hall. The State funding was based on the estimated cost that would be

incurred if the former 65,409 gsf Stanley Hall was upgraded from a seismic rating of “Poor” to “Good.”

The Regents amended the Capital Improvement Program and Budget for Capital Improvements in March 2002 to include the Stanley Quantitative Biosciences and Bioengineering Facility (Stanley) project for a total cost of \$143,296,000, at CCCI 4305, to be funded from gifts (\$93,421,000), the State through the California Institutes for Science and Innovation (\$34,875,000), and external financing using the Garamendi funding mechanism (\$15,000,000). In May 2002, The Regents adopted environmental findings, based on January 2002 certified Northeast Quadrant Science Safety Project EIR, and approved the project’s design.

The QB3 and CITRIS facilities in Stanley are part of the California Institutes for Science and Innovation (Cal ISI) program. These Cal ISI projects provide a partnership among the State, California industry, and the University of California that will focus research in important new areas of science and technology that are vital to the future of California’s economy.

QB3’s program has three major components: structural and chemical biology, bioengineering and biotechnology, and bioinformatics. The central theme is to bring together researchers and students in biology, chemistry, engineering, and physics to collaborate on new areas of scientific inquiry that are simultaneously at the boundaries of these traditional disciplines and at the core of newer, emerging disciplines. This reflects a scientific revolution, currently under way, in which physical tools are being increasingly applied to the biological sciences in areas such as non-invasive imaging, microscopy, and nanotechnology.

Project Description

The Stanley Quantitative Biosciences and Bioengineering Facility at Berkeley is one of two large facilities built for QB3; the second major facility was constructed at UC San Francisco. The headquarters for CITRIS will be located in the Davis Hall Replacement building, now under construction, on the Berkeley campus.

The new 285,000 gsf building provides the primary facilities for QB3 at Berkeley; the Bio Nanotechnology Center, a specialized CITRIS laboratory; and selected academic functions. These functions include: part of the Department of Molecular and Cell Biology, the Department of Bioengineering, and research programs in the Departments of Chemistry and Physics. The building houses specialized imaging equipment, including a suite for ultra-high field nuclear magnetic resonance spectrometers; the previously cited Bio Nanotechnology Center; an instructional laboratory; multi-media center; lecture halls; and administrative space. The facility is designed to foster synergies and interaction at the boundaries between the physical and biological sciences, and engineering.

The project, as approved in March 2002, is funded by the State and the campus. The campus contribution was approved to come from Garamendi financing under Section 15820.21 of the Government Code, for which the campus is requesting a change to non-Garamendi external financing, and private contributions.

Financial Feasibility

The total project cost of \$143,296,000 at CCCI 4305 was approved in March 2002, to be funded from gifts (\$93,421,000), State revenue bonds through the California Institutes for Science and Innovation program (\$34,875,000, including \$34,525,000 from QB3 and \$350,000 from CITRIS), and external financing using the Garamendi funding mechanism (\$15,000,000). Of the total \$93,421,000 in gift funds, standby financing of \$22,675,000 and interim financing of \$70,746,000 were approved. As of December 2006, the receipt of gifts is as follows:

Gifts in hand:	\$42,088,000
Gifts pledged:	1,333,000
Charitable remainder unitrust:	50,000,000
<u>Gifts to be raised:</u>	<u>0</u>
Total:	\$93,421,000

At the time the project financing was approved in March 2002, part of the \$70,746,000 in interim financing was backed by a \$50,000,000 charitable remainder unitrust. Since the project is nearing completion and this pledge is still outstanding, approval to convert \$50,000,000 of interim financing to long-term external financing is requested. The campus will backstop the \$1,333,000 in gift pledges with campus funds; standby financing is no longer required.

At this time, the campus requests to change the designation of the originally approved \$15,000,000 in external financing from financing using the Garamendi funding mechanism. The Berkeley campus pledged its share of the University Opportunity Fund as the repayment source, which remains unchanged.

Based on already issued long-term debt of \$15,000,000 (annual debt service of \$875,000) and new debt of \$50,000,000 (amortized over 30 years at 6.125 percent interest for an estimated annual debt service of \$3,681,000), the estimated average annual debt service will be \$4,556,000. 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 2008-09, the second full year of occupancy and first full year

of principal and interest for the project, 50 percent of the campus' total Opportunity Funds allocated will be pledged for debt service.

Vice President Hershman explained that this building essentially is complete. The issues have to do with financing in that, because there is a major gift for this project that is not yet available, long-term financing is needed.

In response to a question asked by Regent Johnson, Vice Chancellor Denton stated that the \$50 million is expected to come forward.

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

5. **AMENDMENT OF THE BUDGET FOR CAPITAL IMPROVEMENTS AND THE CAPITAL IMPROVEMENT PROGRAM FOR BERKELEY ART MUSEUM AND PACIFIC FILM ARCHIVE, BERKELEY CAMPUS**

The President recommended that:

- A. The 2006-07 Budget for Capital Improvements and the Capital Improvement Program be amended to include the following project:

Berkeley: Berkeley Art Museum and Pacific Film Archive – partial preliminary plans – \$3.5 million, to be funded from gifts.

- B. The Berkeley campus return to the Committee on Grounds and Buildings to present the results of its planning efforts, including program and schematic design options, the status of the gift campaign, and a viable financial plan for the BAM/PFA project.

Vice President Hershman and Vice Chancellor Denton presented the Berkeley campus request for approval to begin the preliminary plans phase of the Berkeley Art Museum and Pacific Film Archive (BAM/PFA) to be funded from gifts (\$3.5 million). Approval to proceed with the partial P phase of this project would allow the Berkeley campus to develop program options and conceptual plans consistent with various levels of philanthropic support while exploring fundraising potential and developing a feasible financial plan.

It was recalled that the BAM/PFA programs are integral with the academic and public service missions of the Berkeley campus. The museum serves as an instructional laboratory for academic programs in Art History, Art Practice, Anthropology, Rhetoric, and Film Studies, and as a cultural resource for the San Francisco Bay Area.

The existing BAM/PFA building was completed in 1970. Due to budget constraints at the time, the planned administrative and support spaces were not

constructed, leaving the facility programmatically inadequate for BAM/PFA's subsequent development. In 1997, a seismic evaluation rated the existing building "Very Poor," and the PFA cinema was relocated to other facilities on campus to mitigate the seismic hazard. The BAM/PFA was partially retrofitted in 2001, at a project cost of \$4,231,000 in campus funds, to improve its rating to "Poor;" however, the building remains seismically and programmatically deficient. Among other effects, the seismic vulnerability of the existing facility limits BAM/PFA's participation in the indemnification programs of the National Endowment for the Arts. This alone restricts the range and quality of exhibitions that BAM can attract. A 1999 study of costs to retrofit and modestly expand the current building, versus construction of a new building on an alternative site, revealed that the comparative costs were roughly equivalent, but that a new building would offer greater seismic safety and functionality.

Because of seismic and programmatic problems with the existing facility, the campus identified a need for a new building to house the museum and film archive close to the core campus. The campus' 2002 Strategic Academic Plan identified principles to guide planning for new facilities. One principle recognizes the limited potential for growth on the central campus. A second principle embodies a set of recommendations aimed at maintaining contiguity of programs, including accommodating future academic growth on the core campus and adjacent blocks and reserving adjacent blocks for research, cultural, and service units. Lastly, the plan calls for new facilities to be designed to promote interaction.

In spring 2002, the Berkeley campus endorsed the future use of University-owned property adjacent to the main campus on Oxford Street as the site of a future building to house the BAM/PFA. The site is currently occupied by the former campus Printing Plant (now vacant) and a University parking structure. BAM/PFA has envisioned relocating its collections, galleries, cinemas, and administrative activities from the existing seismically-poor BAM/PFA building to a new facility that would resolve program constraints at the current location and allow BAM/PFA's programs to be more accessible to the public as well as to the campus community.

Primary goals of the new BAM/PFA would be:

- to remove the seismic risk and program constraints associated with the current "Poor" structure;
- to provide a facility that is located and designed in alignment with BAM/PFA's curatorial, research, and public programs missions in the decades ahead;
- to integrate the campus's premiere visual arts venue with one of the Bay Area's most vital visual and performance arts districts.

The proposed BAM/PFA building would replace an unused industrial building (Printing Plant) and a parking structure at the gateway to the Berkeley campus,

with a contemporary urban building of quality appropriate for the gateway to the Berkeley campus. The building's public entrances will be oriented toward Center Street, where some four million pedestrian "person trips" take place annually, between the nearby BART station and the adjacent central campus, which generates extraordinary opportunities for public access. The proposed BAM/PFA building would provide a vital cultural presence, offering a unique array of public programs day and evening.

The campus would develop program options and conceptual plans for various levels of philanthropic support. The total project cost for a 138,500 gsf building would be between \$110 million and \$130 million, including group 2 and 3 equipment. These estimates take into consideration:

- Architectural character and quality appropriate to the urban setting and the proposed building's campus gateway site;
- The intended capability to support a wide range of media, including works based on advanced digital and optical systems, as well as conventional galleries and cinemas;
- Systems and controls that would achieve a high level of environmental control for security and curatorial purposes;
- A seismic design that responds to the near-field effects inherent in the campus' proximity to the Hayward fault; and
- Construction of below-grade parking to partially replace the capacity in the existing structure that will be removed (under campus policy, the museum would separately reimburse the parking system for any net reduction in parking capacity).

Development of the project would proceed in recognition that adjacent property, on the same block, is planned for development by private interests as a hotel/conference center. The BAM/PFA project and the hotel/conference center would represent the largest redevelopment in downtown Berkeley in recent decades. The BAM/PFA project, while completely independent of the hotel/conference center, would seek to leverage the potential for shared infrastructure and operational synergy with the adjacent development, in the interest of optimum urban design and cost-effectiveness.

Approval to proceed with partial P phase would allow the campus to complete the selection of its design and construction management team, to develop program options and design concepts for various levels of philanthropic support, and to develop a feasible financial plan. During the partial P phase, the campus will act upon the information developed to ensure that the project's scope and character are consistent with the project's gift campaign and budget goals.

Project Description

The proposed BAM/PFA facility would be a multi-story building housing exhibition galleries, cinemas, teaching and research spaces, administrative offices, and public spaces. In 2004, BAM/PFA developed a detailed space program for the proposed facility, comprising a total of 138,500 gsf (excluding underground parking).

The fully built out program is envisioned as 34,500 asf for teaching and exhibition galleries, 16,000 asf for theaters/lecture halls, and 7,400 asf for associated academic activities. The program calls for one theater of 300 seats, one of 150 seats, and one of 50 seats. One of the large theaters will be used by PFA for evening screenings and for daytime course-related screenings. All theaters will be available for other University needs. Various campus units will use 2,000 asf within the BAM/PFA teaching galleries on a rotating basis.

The total square footage and the allocation of space to various program components would be further studied and refined, consistent with the architectural concepts and cost information developed during the P phase. During this phase, the campus would determine whether additional gallery space would be provided for the Phoebe Hearst Museum of Anthropology and the Berkeley Natural History Museums for display of their respective collections on a rotating basis.

Construction of the BAM/PFA building is planned for April 2009, and completion is anticipated in September 2011.

Green Building Policy and Clean Energy Standard

The 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 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 Compliance

Environmental documentation for the proposed project will be tiered from the UC Berkeley 2020 LRDP EIR, certified by The Regents in January 2005, and will be presented at the time of design approval.

Funding Plan

Development of the partial preliminary plans for the BAM/PFA project would not exceed \$3.5 million and would be funded from gifts. As of November 2006, the campus has raised:

Gifts in hand:	\$ 9,000,000
Gifts pledged:	15,000,000
<u>Gifts to be raised:</u>	<u>\$ 86,000,000 - \$106,000,000</u>
Total:	\$110,000,000 - \$130,000,000

The total cost of full program build out is estimated to be \$110 million to \$130 million, to be funded from gifts. Group 2 and 3 equipment is estimated to be \$5 million and is included in this estimate.

Future Regental Action

The Berkeley campus will return to the Committee on Grounds and Buildings to present the results of its planning efforts, including program and schematic design options, the status of the gift campaign, and a viable financial plan for the BAM/PFA project. Future Regental actions include requests for an amendment of the Budget for Capital Improvements and the Capital Improvement Program for the total cost of all phases of the project (PWCE: preliminary plans, working drawings, construction, and equipment) and approval of design.

Vice President Hershman explained that it is uncertain whether the campus can raise sufficient funds for the project. It was agreed that the campus would start the planning process but would also consider options.

In response to a question posed by Regent Hopkinson, Vice Chancellor Denton responded that the existing art museum will be used for other purposes, including the Anthropology museum, art practice, or other options. The dilemma is that seismically upgrading the building would require putting walls within the current exhibit space, which would not suit an art museum.

Regent Hopkinson expressed concern about the design, in particular with regard to uniting the Berkeley campus in a theme of architecture. She was concerned that the building would be designed as a statement and be inconsistent with the campus architecture. Vice Chancellor Denton responded that the site is across the street from the campus and is considered part of the arts district of the City of Berkeley. He stated that the project is unique in that both the City and the campus are interested in going forward and in finding a compatible design. Regent Hopkinson stated that this issue needs to be discussed, since in her mind as the campus expands it should retain its character.

Regent Hopkinson asked what the normal percentage is for preliminary plans, and questioned the \$3.5 million figure. Associate Vice Chancellor of Project Management Gayle responded that the standard may be on the order of three percent to five percent of project costs. Regent Hopkinson believed that would be too high. Associate Vice Chancellor Gayle explained that this percentage includes the environmental review, staff costs, and architect fees. This building type requires extensive programming consultants and other costs that are

not typical. Regent Hopkinson requested to Committee Chair Kozberg that over time the Committee look at how much is spent on fees and administration with a view toward reducing the costs. She requested that a format be developed for that information to be presented to the Committee to better understand expenditures. She is concerned that the cost to oversee the project sometimes exceeds the cost to design it. Committee Chair Kozberg commented that this issue can be taken into account when working with the planners on the campuses to ensure all the important issues have been captured.

In response to a question asked by Regent Johnson, Associate Vice Chancellor Gayle stated that this plan will go forward within the next six months. The campus will return to the Committee with further discussion of the scope and budget alignment that will be derived from the current proposed phase. Vice Chancellor Denton stated that construction is not expected to begin prior to mid-2009.

Regent-designate Allen noted an industrial building would be replaced, and asked if there was a consideration of using the existing space for the museum. Vice Chancellor Denton responded that that building is not large and does not lend itself to art museum exhibit spaces. This site was chosen, for one reason, because the building itself would require significant and costly upgrades.

Regent Hopkinson urged that prospective donors not be shown drawings of a building design before the Committee has a chance to review it. Committee Chair Kozberg suggested that the item be approved with the understanding that the museum project planners be informed of the Committee's views concerning the integration of campus design.

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

6. AMENDMENT OF THE BUDGET FOR CAPITAL IMPROVEMENTS AND THE CAPITAL IMPROVEMENT PROGRAM FOR INSTITUTE FOR REGENERATION MEDICINE BUILDING, SAN FRANCISCO CAMPUS

The President recommended that the 2006-07 Budget for Capital Improvements and the Capital Improvement Program be amended as follows:

From: San Francisco: Institute for Regeneration Medicine Building – preliminary plans – \$1.5 million, to be funded from gifts.

To: San Francisco: Institute for Regeneration Medicine Building – preliminary plans – \$6.3 million, to be funded from gifts.

Vice President Hershman, Senior Vice Chancellor Barclay, Senior Vice Chancellor Spaulding, and Associate Vice Chancellor Weisenthal presented the

San Francisco campus request for approval of funding to complete the preliminary plan phase for the Institute for Regeneration Medicine Building, at an additional cost of \$4.8 million, to be funded from gifts. The campus is pursuing a modified design-build model for construction of this proposed project, a new 45,000 asf laboratory facility for stem cell research on the Parnassus campus. With approval of funding to complete the preliminary plan phase, the campus would be able to continue design work through January 2008 and complete the bridging documents that form the basis for bidding the proposed design-build project. Approximately one-third of funding for the preliminary plan phase of the project would be attributable to design work associated with related site improvements, utility relocations, and expansion of the campus utility plant.

It was recalled that at the July 2006 meeting, The Regents approved a delegation of authority to the President to approve campus requests to proceed with the preliminary plan phase for projects that would support stem cell research, at a cost of up to \$1.5 million per campus. This allows campuses to begin planning for proposed projects that would be eligible to compete for capital grant funding, when available, from the California Institute for Regenerative Medicine (CIRM). On August 29, 2006, President Dynes approved the San Francisco campus' request to use \$1.5 million in gift funds to begin the preliminary plans phase for the Institute for Regeneration Medicine Building.

California voters passed Proposition 71, the California Stem Cell Research and Cures Initiative, in November 2004. The initiative amended the California Constitution to establish the California Institute for Regenerative Medicine and authorized an average of \$295 million per year for a 10-year period to fund stem cell research, to be funded from general obligation bonds. A maximum of 10 percent of the total may be allocated to grants to build scientific and medical research facilities. Until recently, lawsuits challenging the constitutionality of the California Stem Cell Research and Cures Initiative have prevented the release of CIRM funds.

It is now anticipated that CIRM funding for major capital facility projects may be available sometime during the 2007-08 fiscal year. Although the final criteria for review and award of major capital facilities grants from CIRM have not yet been developed, CIRM has indicated that there may be a limit on the amount of funding available for any individual project and that projects that would be available for occupancy no more than two years after the grant is awarded will receive priority consideration. As a result, the San Francisco campus proposes to move forward as expeditiously as possible with planning and design work to complete the design-build bid documents for the Institute for Regeneration Medicine Building. This would allow the campus to complete the project in a shorter time than if the campus pursued a more traditional construction method and schedule.

UCSF has a longstanding and rich scientific environment in developmental and stem cell biology, beginning in 1981 with the co-discovery of embryonic stem cells in mice. Continuing in this environment of discovery, the UCSF Institute for Regeneration Medicine was established to further foster innovative interdisciplinary research in cell differentiation and tissue regeneration. With UCSF's excellence in clinical care and the infrastructure to conduct clinical trials in virtually every arena, the Institute is poised to transfer basic research advances into cell-based patient therapies.

The proposed building for the Institute for Regeneration Medicine would capitalize on UCSF's collaborative culture, promoting intellectual synergies and creating a nexus for a broad-spectrum research program that will continue to extend throughout the University. The building would accommodate 15 to 20 principal investigators and provide decompression and consolidation space for existing faculty, expansion space for new faculty, and shared access to a diverse set of research technology cores. In addition, it would enable UCSF scientists who, due to federal restrictions, are currently conducting human embryonic stem cell studies at off-campus sites, to relocate and expand those studies on-campus.

Project Description

The proposed Institute for Regeneration Medicine Building would be designed to provide 45,000 asf of new research space (approximately 80,000 gsf) on the Parnassus campus. The estimated total project cost at this time is \$100 million to \$116 million, with 25 percent to 35 percent of the total project cost associated with site clearance and extensive site improvements, utility relocations, and campus utility plant expansion. The building site for this project, which is south of the Health Sciences East and West Instruction and Research towers, was selected because of its proximity to the Parnassus research mega-structure (Health Sciences East and West Instruction and Research towers and the Medical Sciences Building), the central animal care facility, the central utility distribution systems, and construction access from Medical Center Way.

This wet research laboratory building would provide typical laboratory spaces designed for flexibility and standardized throughout the building. Core spaces may have limited customization appropriate to their use. The design would accommodate clear separation of work on registered and non-registered stem cell lines. Construction based on manufactured building modules would be studied for cost and schedule advantages.

The proposed new building would include the following:

- **Lab Areas:** The project would include bench laboratory areas with an approximately one-to-one ratio of typical wet bench lab area to lab support space.

- **Lab Support:** The project would include procedure rooms, equipment alcoves, environmental rooms, tissue culture rooms, sterilizer/glass wash rooms, a dry dark room, acute surgery/holding suites, and barrier procedure/holding suites. Shared support spaces and open lab zones would foster interaction and collaboration. Both the bench and lab support areas would be designed as generically as possible to maximize flexibility.
- **Office Space:** Office space would include academic offices and provide a collegial and quiet work area outside the lab. The office suites would also incorporate shared functions, including conference rooms, administrative support space, and an open interaction/break space.
- **New Auditorium:** A 200-seat auditorium would be included in this project to replace the Toland Hall auditorium in UC Hall. UC Hall is rated seismically poor and is planned to be demolished in 2009-10.
- **Building Support:** Building support functions provided by this project would include materials handling, a pre-function area and lobby/reception for the auditorium, Environmental Health and Safety handling areas, and data server rooms.

In addition to the new building described above, the project scope would include the following site and infrastructure improvements:

- **Site Clearance, Hillside Stabilization and Existing Utility Relocations:** The project would include completing site clearance for two recently demolished research buildings. This includes removing remaining building foundations, relocating existing utilities, and adding retaining walls to stabilize the adjacent hillside.
- **Campus Utility Plant Expansion:** The project would include adding chilled water capacity and emergency power capacity to the existing central utility plant on the Parnassus campus.
- **Connecting Bridge:** The project would include a connecting bridge between this new research facility and existing research buildings.
- **Campus South Plaza and Landscape Improvements:** The project would include adding a new pedestrian plaza to the campus.

Using a modified design-build model, construction could begin by July 2008 and be completed by December 2010, depending on the availability of funding.

Green Building Policy and Clean Energy Standard.

This project would comply with the *Presidential Policy for Green Building Design and Clean Energy Standards*. As required by this policy, the project would adopt the principles 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 would be provided when the project is presented for design approval.

CEQA Classification

The 1996 LRDP Final Environmental Impact Report (LRDP-FEIR) provided the environmental analysis for new construction of up to 85,000 gsf of research and instruction uses at Parnassus Heights. This project is consistent with the scope of development outlined in the 1996 LRDP. Further building-specific environmental analysis would be prepared in a proposed Negative Declaration and would be submitted for review and approval in conjunction with project design approval.

Funding Plan

The total cost of preliminary plans would not exceed \$6.3 million and would be funded with gifts. Sufficient gifts have been raised to cover the cost of preliminary plans.

The total project cost is estimated to be approximately \$100 million to \$116 million, excluding interest during construction and Groups 2 and 3 equipment. The project would be supported with gift funds and an application would be made for capital facilities funding from the California Institute for Regenerative Medicine (CIRM), funded from State general obligation bonds. CIRM will require at least a 20 percent match of the State bond funding, as required by the provisions of Proposition 71. The campus would satisfy this requirement with gift funding. The campus would assume the risk of expending gift funds for preliminary plans and not receiving a CIRM facilities grant.

Future Regental Action

The campus would return to The Regents to request amendment of the Budget for Capital Improvements and the Capital Improvement Program for approval of the complete budget (preliminary plans, working drawings, construction and equipment), the project funding plan, and project design.

Regent Hopkinson questioned why such extensive site work was necessary, why the project has a large gross to assignable square foot ratio, and why preliminary plans are so expensive percentage wise. Senior Vice Chancellor Barclay explained that the site for the building lies in a tight space on the campus between many other facilities. The utility work, the expansion of the capacity of the power plant, and the number of engineering complications both drive the construction costs and require them to use more consultants. The basic design fee is about the standard seven percent for the project.

Associate Vice Chancellor Weisenthal elaborated that the site is a very difficult site, but important to use due to its immediate adjacency to the existing vivarium, utility plant, and Medical Center, facilitating clinical and translational research. Some of the disadvantages resulting in the high fee in the request are the steep topography and the difficulty in connecting the building to the rest of the campus.

The campus hopes to bring the costs closer to the low end of the range listed in the P item. Cost control measures are in place during this schematic design phase, including a construction manager to provide independent cost estimates along with the independent cost estimator. The campus for the first time will work from the outset with building information management (BIM) technology. The net to gross ratio for a laboratory building is not unusual, but 60 percent is the goal. The auditorium has an impact on the net to gross ratio.

Regent Hopkinson would like to see more articulation on the budget. She asserted that a process is needed for the Committee to receive consistent information.

Regent Schilling asked that laboratory buildings include more generic space from the beginning. Associate Vice Chancellor Wiesenthal agreed, explaining that there are repetitive laboratory modules for this building as well as for most of their other laboratory buildings to avoid retrofitting.

Committee Chair Kozberg asked how the decision was made to do design-build and how many have been done on the San Francisco campus. Associate Vice Chancellor Wiesenthal explained that the campus completed a parking garage on the Mission Bay campus. Applying that model to laboratories is complex, which is why the campus is proposing to take the project through schematic design more traditionally. Associate Vice Chancellor Wiesenthal noted that they are also using best value contracting.

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

7. UPDATE ON MISSION BAY NEUROLOGIC DISEASE AND NEUROSCIENCE RESEARCH BUILDING (19A, PHASE 1), SAN FRANCISCO CAMPUS

Senior Vice Chancellor Spaulding reported that the San Francisco campus has re-evaluated the program and scope of development planned for the Block 19A site at the Mission Bay campus. In March 2005, the campus received approval to move forward with preliminary plans for Phase 1 of the Neuroscience Research Building project, which had an estimated scope of 91,250 gsf and 48,000 asf in a building providing expansion of wet laboratories and computational testing facilities for neuroscience research programs now housed at the Parnassus campus.

The San Francisco campus is now planning to move forward with a project of approximately 180,000 gsf and 115,000 asf for neurologic disease and neuroscience research programs on the Mission Bay Block 19A site, entitled the Mission Bay Neurologic Disease and Neuroscience Research Building. The proposed facility would include laboratory and clinical research space for

78 principle investigators from the Institute of Neurodegenerative Diseases, the Keck Foundation Center for Integrative Neuroscience, and researchers from the Department of Neurology; these programs are now housed at both the Parnassus campus and in off-campus leased space. Potential donors have expressed interest in supporting this reconfigured project.

The campus is working with the Office of the President to explore construction options for the project, including privatized delivery mechanisms such as developer turnkey construction for purchase at completion. The campus will return to The Regents at a later date to request project approval, approval of the project financing plan and any other necessary transactions, and design approval and CEQA compliance.

Senior Vice Chancellor Spaulding reported that there has been tremendous interest in the philanthropic community in this project due to the fact that two prominent doctors have asked that their building project be merged with the proposed one. Three philanthropists have come forward with multi-million dollar potential pledges for this facility.

In response to Regent Johnson’s question, Senior Vice Chancellor Spaulding discussed his interest in exploring new approaches to reduce costs for development. The researchers associated with the current project have indicated willingness to consider commercial developer standards and contemplate a developer-built building.

Committee Chair Kozberg asked how the campus will guarantee all developers have the opportunity to bid. Senior Vice Chancellor Spaulding responded that with the advice of General Counsel they would put forth a Request for Proposals, allowing all developers to have an equal opportunity.

8. AMENDMENT OF THE BUDGET FOR CAPITAL IMPROVEMENTS AND THE CAPITAL IMPROVEMENT PROGRAM, APPROVAL OF EXTERNAL FINANCING, ADOPTION OF NEGATIVE DECLARATION, AMENDMENT TO THE 2003 LONG RANGE DEVELOPMENT PLAN, AND APPROVAL OF DESIGN, HEALTH AND WELLNESS CENTER, DAVIS CAMPUS

The President recommended that:

- (1) The 2006-07 Budget for Capital Improvements and the Capital Improvement Program be amended as follows:

From: Davis: Health and Wellness Center – preliminary plans \$2.1 million to be funded from campus reserves.

To: Davis: Health and Wellness Center – preliminary plans, working drawings, construction, and equipment – \$50.3 million to be funded from Campus Expansion Initiative Reserves (\$5 million), Registration Fee Capital Reserves (\$1.3 million), and external financing (\$44 million).

Additions shown by underscore

- (2) The President be authorized to obtain external financing not to exceed \$44 million to finance the Health and Wellness Center project, subject to the following conditions:
 - a. Interest only, based on the amount drawn down, shall be paid on the outstanding balance during the construction period.
 - b. Repayment of the external financing shall be from the Student Health Center portion of the Campus Expansion Initiative referendum approved by student vote in fall 2002 and approved by the President on March 11, 2003, which shall generate net revenues sufficient to pay debt service and to meet all related financing requirements of the proposed funding.
 - c. The general credit of The Regents shall not be pledged.
- (3) The Officers of The Regents be authorized to provide certification to the lender that interest paid by The Regents is excluded from gross income for purposes of federal income taxation under existing law.
- (4) The Officers of The Regents be authorized to execute all documents necessary in connection with the above.
- (5) Upon review and consideration of the environmental consequences of the proposed project as indicated in the attached Tiered Initial Study and Negative Declaration, the Committee on Grounds and Buildings recommend to The Regents that The Regents:
 - a. Adopt the Tiered Initial Study and Negative Declaration.
 - b. Adopt the Findings.
 - c. Amend the 2003 Long Range Development Plan (LRDP) land use designations on the project site from *Housing and Physical Education/Intercollegiate Athletics/Recreation* to *Academic and Administrative*.
 - d. Approve the design of the Health and Wellness Center, Davis campus.

[The Tiered Initial Study, Negative Declaration, and Findings were mailed to Regents in advance of the meeting, and copies are on file in the Office of the Secretary]

Chancellor Vanderhoef and Interim Campus Architect Halliday presented the Davis campus request for project approval, financing approval, and design approval for the Health and Wellness Center project for a total project cost of \$50,300,000 at a CCCI of 4973. The project would be funded from Campus Expansion Initiative (CEI) Reserves of \$5 million, Registration Fee Capital Reserves of \$1.3 million, and external financing of \$44 million to be repaid from future CEI fee collection. The project would include a 75,300 gsf ambulatory healthcare and clinical services building and provide examination rooms along with office, diagnostic, pharmacy, and related support space to house the campus Student Health Center and related programs.

It was recalled that in fall 2002, Davis students approved the Campus Expansion Initiative referendum which established a new Student Health Center fee, now known as the Health and Wellness Center, for the construction and maintenance of a new student health center. In March 2003, upon recommendation by the Chancellor, the President approved a scheduled implementation of the fee, consistent with the delegation of authority from The Regents.

In March 2006, The Regents amended the Budget for Capital Improvements and Capital Improvement Program to include preliminary plans funds of \$2.1 million for the Health and Wellness Center project. In June 2006, the appointment of WRNS Studio as Executive Architect for this project was approved within the Office of the President.

The existing Cowell Student Health Center was constructed in 1952 to serve as the campus infirmary including both outpatient and inpatient health care facilities for students. As healthcare delivery changed over time, delivery of inpatient services in the Center was abandoned in favor of community-based resources. Over the past decades, the 26,000 asf facility has been renovated and additions have been constructed. The facility houses the ambulatory healthcare and clinical services provided by the Student Health Center, including space for primary care physicians who see students on an outpatient basis, urgent care treatment facilities, examination rooms, pharmacy, laboratory, radiology, health education, and counseling services. As student enrollment has increased and services have expanded, the facilities have become inadequate to meet the needs of the student population. A building study completed in 2001 determined that further renovation of the existing single-story building is not practical and cannot adequately house the projected needs of the program; therefore, the Davis campus proposed that a new facility be constructed to house the Student Health Center. Following the evaluation of a variety of funding strategies, it was concluded that student fees will provide the most viable funding strategy for the project.

Project Site and Long Range Development Plan Amendment

The two-acre Health and Wellness Center project site is located in the Central Campus of UC Davis, west of La Rue Road and south of Orchard Road, and is currently used for two purposes. The east half of the site is developed with outdoor basketball courts and used extensively by students and members of the campus community for daytime and nighttime basketball. The west half of the site is developed as a plant nursery to support the UC Davis Arboretum plant development and fundraising efforts. Surrounding uses include Parking Lot 35 to the north; a bike path, La Rue Road, and the Student Activities and Recreation Center to the east; a parking lot for the Colleges at La Rue student housing area to the south; and research greenhouses to the west.

The 2003 LRDP designates the east half (the basketball court portion) of the Health and Wellness Center project site as *Physical Education/Intercollegiate Athletics/Recreation (PE/ICA/Recreation)* and the west half (the plant nursery) as *Housing*. During planning for the 2003 LRDP, the campus envisioned that the basketball courts would remain unchanged and that new student housing would eventually be developed west of the basketball courts in the plant nursery area and the large greenhouse area west of the plant nursery. While the concept of providing student housing in the greenhouse area is still current, the plant nursery area of approximately one acre represents land that is unnecessary for new student housing construction. Accordingly, the two-acre site consisting of the basketball courts and the plant nursery were studied as a potential site for the Health and Wellness Center. Because of the site's proximity to the core campus and to student housing, the availability of adequate parking, and the ability to relocate the basketball facility and the plant nursery, the two-acre site was selected for the Health and Wellness Center.

Based on the campus' 2003 Long Range Development Plan, it is anticipated that the existing Student Health Center will be demolished to make the site available for a future multi-story core campus building. No specific project has been identified for this site at this time. In the interim, the facility will be used for (1) short-term swing space as the campus will be undertaking several alteration projects that will require some relocation of departments to accomplish, or (2) programs currently located in temporary or leased space. The proposed LRDP Amendment would re-designate the land use of 1.0 acre of the project site from *Housing* and 1.0 acre from *PE/ICA/Recreation* to 2.0 acres of *Academic and Administrative*. The existing and proposed land use designations are shown on the attached Figures 1 and 2.

Project Description and Design

The Health and Wellness Center would contain 42,255 asf, within a total of 75,300 gsf, including space for offices, examination rooms, pharmacy services, radiology services, diagnostic laboratory services, and support space. Space will

also be provided for student counseling services. The Center would initially accommodate 90 full-time staff members and 30 part-time Davis student employees/assistants with expansion space to meet needs for increased enrollment. Parking facilities are available adjacent to the proposed site to serve student users. Employees will use existing campus employee parking facilities available in the area.

The proposed Health and Wellness Center would be approximately 75,300 gsf on three floors of equal size. It is a steel frame structure with un-bonded braced frames to resist lateral loads. The first level is on grade. The exterior finishes will consist of stucco with aluminum framed windows on the west, south, and portions of the east façade, and curtain wall, primarily at the north-facing façade. The stucco colors and textures would complement the solid surfaces of the adjacent Activities and Recreation Center (ARC) and Segundo Dining Commons; the use of curtain wall will be consistent with those buildings. The use of large amounts of glass at entry façades is also employed at other public, non-academic buildings on campus including Memorial Union, Mondavi Center for the Arts, and Dutton Hall.

The building has a rectangular footprint with the long dimension being in the north/south direction. This provides the best orientation and shape to control sunlight on glass. A substantial amount of glass at the north façade provides excellent day lighting but avoids direct sunlight; individual windows on the south side are small and shaded with overhead screens. These measures will minimize solar heat gain at the building perimeter. The facility is expected to be connected to the central campus steam and chilled water system. The proposed budget includes funding to address the additional central system capacity required to serve the center.

The design of the Health and Wellness Center has been reviewed in accordance with University Policy by an independent design consultant and value engineering teams. The Davis campus Architects and Engineers Department will manage project implementation with assistance from the executive design professional's project team, with outside consultants and testing agencies as necessary. The Campus Architect will perform project oversight.

The project would be implemented using the design-bid-build contracting method with multiple bid packages. Construction is anticipated to begin in January 2008, with completion anticipated in October 2009.

Green Building Policy and Clean Energy Standard

The 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 principals of energy efficiency and sustainability to the fullest extent possible, consistent with budgetary constraints and regulatory and programmatic

requirements. As currently planned, the project is expected to qualify for 39 LEED equivalent points, equal to a LEED Silver rating, and is expected to exceed Title 24 energy efficiency requirements by at least 20 percent. The project is expected to qualify for all 33 points on the UC Davis campus LEED baseline, plus additional points for development density, public transportation access, storm water management, reduced site disturbance, and day lighting to over 75 percent of all occupied spaces.

Environmental Impact Summary

Pursuant to State law and University procedures for implementation of the California Environmental Quality Act (CEQA), the Tiered Initial Study/Negative Declaration was prepared for the proposed Health and Wellness Center to determine whether any potential environmental effects are associated with the project. The Initial Study was tiered from the 2003 LRDP Environmental Impact Report (EIR). The draft Tiered Initial Study was circulated to the public, responsible and trustee agencies, and the State Clearinghouse for a 30-day review period from November 7, 2006 to December 7, 2006. One comment was received during the comment period: the Department of Water Resources commented upon a possible requirement for a flood plain encroachment permit. The response to the comment can be found in Appendix B of the Initial Study. No changes were made to the Tiered Initial Study/Negative Declaration as a result of the comment letter.

After the public comment period, the proposed site plan for the Health and Wellness Center was modified to shift the proposed building approximately 75 feet to the north of the initial location and to eliminate the construction of 41 parking spaces. The adjacent and nearby parking lots have sufficient capacity to serve the proposed project, and by shifting the building location a large cork oak tree is retained. The modified site plan has been incorporated into the Tiered Initial Study and the analysis therein updated to reflect the revised site plan. No new or increased impacts were identified as a result of this change to the site plan.

Based on the results of the Tiered Initial Study, it has been determined that the proposed Health and Wellness Center project would not result in significant impacts beyond the impacts and associated mitigation measures identified in the 2003 LRDP EIR, and therefore a Negative Declaration has been prepared. Where possible, the cumulative impacts of the campus growth identified in the LRDP would be mitigated by the LRDP EIR mitigations currently being implemented. In accordance with CEQA's mitigation monitoring requirements, measures to reduce or avoid significant impacts identified in the 2003 LRDP EIR are monitored under the LRDP Mitigation Monitoring Program.

Findings

The Findings discuss the project’s environmental review process, the relation of the project to the 2003 LRDP EIR, cumulative impacts and mitigation measures addressed in the context of the Initial Study, and conclusions regarding approval of the Tiered Initial Study/Negative Declaration for this project in conformance with CEQA.

Funding Plan

The total cost for the Health and Wellness Center project is \$50.3 million, at CCCCI 4973, and would be funded from the Campus Expansion Initiative Reserves (\$5 million), Registration Fee Capital Reserves (\$1.3 million), and external financing (\$44 million). CEI Reserve funds of \$5 million that have accumulated since the fee was first collected in fall 2004 would be used to fund the planning, working drawings, and equipment. In addition, the campus has designated \$1.3 million from Registration Fee Capital Reserves to fund the co-location of a portion of the Counseling Center in this building. The balance of construction and equipment expenses will be funded from external financing to be repaid with the fee income approved in the referendum.

In fall 2002, a student referendum called the Campus Expansion Initiative authorizing a new fee to fund construction of a Student Health Center among other projects included in the initiative (expansion of student-operated Coffee House and construction of a “Principles of Community Center”). The project is now known as the Health and Wellness Center and was approved by a vote of the students. Of the total number of students eligible to vote, 38 percent voted on this initiative. Of the students who voted, 71 percent, a relatively high percentage for such initiatives, approved the fee associated with the Health and Wellness Center. On March 11, 2003, upon recommendation by Chancellor Vanderhoef, President Atkinson approved a scheduled implementation of the fee, consistent with the delegation of authority from The Regents to set fee levels for compulsory student fees adopted by student referendum. The campus began collecting the first increment of the fee related to the Health and Wellness Center, \$19 per student per quarter, in fall 2004. The Health and Wellness Center portion of the Campus Expansion Initiative will remain at that level until 2008-09, when it will increase to \$60 per student per quarter. The fee includes a component for return-to-aid.

Based on long-term debt of \$44 million amortized over 30 years at 6.125 percent interest, the estimated annual debt service would be \$3,239,000. Payment of the debt service would be from the Student Health Center proportion of the CEI fee. Based on projected enrollment for fiscal year 2010-11, the second full year of occupancy, fee revenue will be \$4,170,000 for regular session (29,576 students) and \$308,000 for summer session (13,100 students), for a total of \$4,478,000. The balance of the fees collected, after payment of debt service, would be used for maintenance and equipment.

Interim Campus Architect Halliday showed slides to illustrate the design.

Regent Johnson asked if the students were aware of the increase in student fee from \$15 to \$60, and for an estimate of the average student health fees at other campuses. Associate Vice Chancellor Gong responded that the students were aware of the fee increase, and that the fees were not dissimilar from other campus facilities with similar square footage and programs. In response to Regent Johnson's question, she responded that there was not an infirmary, but that relationships exist with local emergency rooms and the UC Davis hospital. Chancellor Vanderhoef added that Davis ranks sixth from the top in terms of total cost of attendance within the UC system, and that Davis ranks ninth from the top in the country with regard to the lowest amount of debt with which students graduate.

In response to Regent Hopkinson's questions, Architect Halliday responded that the reduction in square footage was achieved through electronic records technology, and that the "material management" covers clinic supplies, housekeeping, paper products, patient supplies, and similar items.

Regent Hopkinson stated her concern over the language that The Regents is providing certification to the lender about the tax-free status of the interest. Vice President Hershman stated that such language is standard, and asked the General Counsel's and Treasurer's office to prepare a statement as to why they insert this language.

In response to a question asked by Regent-designate Allen, Associate Vice Chancellor Gong responded that students were engaged from the beginning in the process and design, including the referendum process and financing. She stressed the importance of combining behavioral medicine and psychological counseling with physical health and health education, which allows for easy referral and helps students manage all aspects of their health.

In response to a question posed by Faculty Representative Brown, Associate Vice Chancellor Gong explained that there was not a sunset on the fee, assuming that the fee will be needed in the future for maintenance and renovation once the debt is paid.

In response to student Regent Ledesma's question, Associate Vice Chancellor Gong replied that the return to aid figure of 22 percent was determined at the time of the referendum based on providing 100 percent subsidization to students who were Pell Grant eligible. She stated that this percentage is shy of the current regulations of 25 percent.

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

9. **ADOPTION OF INITIAL STUDY AND MITIGATED NEGATIVE DECLARATION AND APPROVAL OF DESIGN, ADVANCED LIGHT SOURCE USER SUPPORT BUILDING, LAWRENCE BERKELEY NATIONAL LABORATORY**

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

- A. Adopt the Initial Study/Mitigated Negative Declaration.
- B. Adopt the Findings and Mitigation Monitoring Program.
- C. Approve the design of the Advanced Light Source User Support Building, Lawrence Berkeley National Laboratory.

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

Committee Chair Kozberg asked the presenters to discuss the relationship with the Department of Energy. Vice President Hershman explained that despite the building being funded by the Department of Energy, Regents’ policy requires approval since it will be on University land.

Deputy Laboratory Director Fleming, Project Director Harkins, and Department Head Ohearn presented the Lawrence Berkeley National Laboratory (LBNL) request for design approval for the Advanced Light Source User Support Building which will be funded (\$32.8 million) by the Department of Energy (DOE) through the Office of Basic Energy Sciences. Consistent with procedures for LLNL and LANL capital projects, the budget for this LBNL project is approved by DOE.

LBNL is on property owned by the University of California. Lawrence Livermore National Laboratory (LLNL) and Los Alamos National Laboratory (LANL) are on property owned by the Federal Government. Consistent with University policy for all capital projects more than \$10 million regardless of source of funding, LBNL projects, including those that are fully funded by the Department of Energy, are brought to The Regents for design approval. LBNL projects must comply with CEQA requirements, including receiving certification of CEQA documents by The Regents. A ground lease with DOE for the ALS User Support Building will be presented to The Regents at a future meeting.

In November 2006, the Office of the President approved the appointment of M+W Zander, as Master Architect for this project.

Project Site

The 0.4-acre site for the proposed facility is located in the southern region of LBNL adjacent to the Advanced Light Source Building. The project site is consistent with the LBNL’s 1987 Long Range Development Plan and the 1987 Long Range Development Plan Environmental Impact Report, as amended. The site is currently occupied by Building 10, a two-story structure constructed in 1944 that will be demolished to accommodate the proposed project.

Project Design

The Advanced Light Source User Support Building is designed to contain 19,111 asf within a total area of 31,389 gsf and will include experimental component assembly space, office space, and meeting space.

The building is designed as a Type II, one-hour protected, sprinklered building with a structural steel moment frame structure. The exterior will be clad in a horizontal fluted metal panel, with flat metal panels used as accents. Western exposure will include extensive “low-e” glazing in order to take advantage of the spectacular views of the San Francisco Bay.

The project will seek a LEED silver rating of approximately 35 points. The project plan includes LEED points in all six categories, with a major emphasis on the energy efficiency, indoor air quality, and sustainable materials.

The project will be delivered using the DOE modified design/build process in which the Master Architect will prepare preliminary design of the building that will be included in the design/build bid packages given to prospective design/build teams.

LBNL has conducted a design review and DOE has conducted an independent review of all project planning documents associated with this project, including the project baseline estimate/cost and schedule. The LBNL Facilities Division would manage this project. Construction of the project would begin in March 2008, with construction completion anticipated in July 2009.

Environmental Impact Summary

Pursuant to State law and the University procedures for implementation of the California Environmental Quality Act (CEQA), LBNL prepared an Initial Study/Negative Declaration (IS) to determine whether any potential environmental effects are associated with the proposed project. The IS/MND is tiered from LBNL’s 1987 LRDP EIR, as amended (including the 1992 Supplemental EIR [SEIR] and the 1997 Addendum to the SEIR). The Draft IS was circulated to the public, responsible and trustee agencies, and the State Clearinghouse for a 33-day public review period from November 6, 2006 to

December 8, 2006. Copies of the Draft IS were made available at several libraries, information repositories, and at LBNL; a copy was posted on the LBNL web site; and paper copies were mailed to all people who requested them. Written comments from one public agency and two individuals were received throughout the public review period. The comments and their responses are contained in the Final IS/MND.

Pursuant to CEQA requirements, the IS evaluates potential environmental impacts of the proposed project in seventeen environmental issue areas: aesthetics, agricultural resources, air quality, biology resources, cultural resources, geology/soils, hazards and hazardous materials, hydrology and water quality, land use planning, mineral resources, noise, population, public services, recreation, transportation, utilities/service systems and mandatory findings of significance. The IS identified eight project specific mitigation measures in the areas of: air quality, cultural resources, geology/soils, hazards/hazardous materials, noise, and transportation. With implementation of the proposed mitigation measures, the environmental impacts associated with construction and operation of the ALS User Support Building would be mitigated to a level below significance; therefore, a Mitigated Negative Declaration has been prepared.

A Mitigation Monitoring and Reporting Program to ensure implementation of project-specific mitigation measures to reduce significant impacts is included as an Appendix in the Final IS/MND.

Findings

The Findings discuss the Project's impacts, mitigation measures, and conclusions regarding approval of the Initial Study/Mitigated Negative Declaration for this project in conformance with CEQA.

Project Director Harkins showed slides to illustrate the design.

Regent Hopkinson asked about A&E fees of \$2.2 million and administration fees of \$3.5 million. Project Director Harkins responded that the A&E fees were a portion of the design-build contract. Upon further concern by Regent Hopkinson, Committee Chair Kozberg requested that the figure be double checked and brought to the Committee at the next presentation.

Regarding Berkeley Laboratory administration, Project Director Harkins explained that the Department of Energy has extensive requirements for managing, monitoring, and controlling costs, as well as for safety. Committee Chair Kozberg requested follow-up on these costs, noting the importance of understanding the federal guidelines under which UC operates.

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

10. ADOPTION OF INITIAL STUDY AND MITIGATED NEGATIVE DECLARATION AND APPROVAL OF DESIGN, BIOMEDICAL SCIENCES FACILITY, SANTA CRUZ CAMPUS

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

- A. Adopt the Initial Study and Negative Declaration.
- B. Adopt the Findings and Mitigation Monitoring Program.
- C. Approve the design of the Biomedical Sciences Facility, Santa Cruz campus.

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

Acting Chancellor Blumenthal began by providing three take-away messages.

- This laboratory project will foster interdisciplinary research in a wide variety of fields and involve 1000 undergraduates and 350 graduate students.
- Included is a tiered initial study. The public comments suggested that a full EIR should have been conducted, but there were no issues that were not already covered in the campus EIR approved by this Committee in September. Submitting a mitigated negative declaration is not unusual for UC projects.
- This project will serve to unify a number of research endeavors currently on the campus, and serve as an incubator for spin-off companies that will contribute to the local economy.

Associate Vice Chancellor Zwart presented the request for adoption of the study, mitigated negative declaration, and design of the Biomedical Sciences Facility, Santa Cruz campus. It was recalled that in November 2005, The Regents approved the Biomedical Sciences Facility, Santa Cruz campus, for inclusion in the 2006-07 Budget for Capital Improvements and the 2006-2011 Capital Improvement Program for a total project cost of \$74,200,000 at CCCI 4632. This budget was amended in November 2006, due to an increase in the CCCI, for a total project cost of \$77,873,000 at CCCI 4890. The total project cost will be funded from State funds.

In December 2006, the Office of the President approved the appointment of Esherick, Homsey, Dodge and Davis of San Francisco as Executive Architect for this project.

Project Site

The Biomedical Sciences Facility site is immediately east of the Physical Sciences Building and north of the Science and Engineering Library, in an area of the campus known informally as “Science and Engineering Hill.” Immediately to the north is McLaughlin Drive, a major east-west campus thoroughfare. To the east is a road that provides service access to the Science and Engineering Library, Natural Sciences Unit 2, the Interdisciplinary Sciences building, and the Earth and Marine Sciences building, beyond which is a wooded ravine known as Jordan Gulch. The site is currently a parking lot.

The project site development is consistent with the campus 2005 Long Range Development Plan, in an area designated *Academic Core*.

Project Design

The proposed Biomedical Sciences Facility project would provide flexible and generic interdisciplinary research space that can be configured in the future as needed to meet the needs of specific programs and research teams in the departments of molecular, cell, and developmental biology, chemistry and biochemistry, environmental toxicology, and bio-molecular engineering. The project as designed would provide 57,196 assignable square feet (asf) of new space within a total building area of 92,300 gross square feet (gsf). Over 80 percent of programmed space is dedicated to laboratory and vivarium functions, as follows:

Research laboratories	17,975 asf	31.4 percent
Lab support	17,546 asf	30.7 percent
Vivarium	12,021 asf	21.0 percent

The building would also include 9,654 asf (16.9 percent) of academic and administrative offices, meeting rooms, scholarly activity rooms, and computation workrooms.

The proposed building, a five-story structure, would be oriented in a north-south direction, with the building canted slightly towards the northwest to maximize site use and integrate within the existing major tree clusters. Service entrance and vivarium access would be from the east at the lowest level, into a partial basement floor. The main pedestrian entrance from the west would be at the level above, on the building’s first floor and directly opposite the main entrance of the existing Physical Sciences Building. The building’s site and main entrance location reinforce the main north-south pedestrian route through Science and Engineering Hill.

Responding to the local “karst” (fractured marble) geology, the foundation system would consist of a structural concrete mat. It would support a steel-framed structure, with lateral seismic resistance provided by a braced frame in the east-

west direction and moment-resisting frame in the north-south direction. Underground storage tanks northeast of the building would detain and meter storm water flows to pre-development conditions.

The vivarium would occupy the entire basement floor, with four nearly identical floors of laboratories, lab support, and offices above. Research laboratories would occupy the west side of each floor, while faculty offices would be on the east side with views out over heavily wooded Jordan Gulch. Lab support would be placed between laboratories and offices; meeting rooms, interactive workspaces, and administrative offices would typically be located at the building's corners.

Principal building exterior materials would include metal siding and cement plaster in colors selected to be compatible with the redwood forest setting. Aluminum-framed clear glass windows have been arranged to reflect the functions they serve. A metal sun-shading and light-shelf system on the west side of the building will maximize the effectiveness of day-lighting in the research laboratories. The landscaping design would extend the character of exterior spaces on Science and Engineering Hill, linking the new building with the Physical Sciences Building and reinforcing the area's main north-south pedestrian access. The planting plan includes redwood, oak and dogwood trees, replacing the mature redwood and oak trees removed for the building's construction.

Management of construction cost escalation, while meeting the project's programmatic objectives, has been a major focus of the design process to date. Note that between the time that the project program and budget were prepared during the spring and summer of 2005 and the initiation of design in July 2006, construction escalation had added approximately \$4,000,000, or 6.5 percent, to the projected cost of the building. The campus and the design team are working together to adopt a variety of cost reduction strategies. For example:

- Value engineering has been continuous throughout the design process, evaluating each design alternative thoroughly and striking a balance among programmatic needs, first costs, and life cycle costs.
- A standardized and repetitive modular laboratory floor design has been developed, with plumbing and mechanical systems stacked and coordinated.
- By efficient plan layout, building area has been reduced 6,300 gross square feet from the original program. Over two-thirds of this area reduction was achieved by changing the laboratory design module from 11'-0" as assumed in the project program, to 10'-6". Careful consultation with the building users assured the design team that all technical and operational requirements would still be met. This has resulted in construction cost savings of over \$500,000.
- The choice of mechanical and electrical systems has been the result of careful analysis, informed by the expertise of the Labs21 Design Assistance program described under "Sustainable Features" below, to

assure that they are not over-designed and do not result in unnecessary cost to the building.

- The design team is targeting the start of construction in November 2007 rather than February 2008 as initially planned. With recent cost escalation at 10 percent per year, potential savings resulting from this three-month acceleration are estimated at over \$1.5 million. The campus is continuing to explore further acceleration possibilities.
- As a bidding contingency, the design team will develop a package of bid alternates that would simplify laboratory services in some areas of the building (e.g., converting a portion of the vivarium space to laboratory space, or changing the functional intensity of certain laboratory spaces), while preserving the potential for future alterations to increase full laboratory services as programs develop and funding becomes available.

Sustainable Features

Principles of sustainability have informed the design process for this project from its conception, particularly as a participant in the Labs21 (High Performance Lab) Design Assistance program. This program, funded through the University's energy efficiency partnership with the California State University and public utilities, adds the expertise of energy efficiency researchers at Lawrence Berkeley National Laboratory to the design team, allowing project participants to evaluate a wide range of building system choices and to develop a high-performance, low-energy use design. For example, this partnership developed the application of an innovative "chilled beam" induction diffuser mechanical system, which allowed the system's fan horsepower to be reduced from 60 to 20. Schematic phase cost studies estimate a construction cost savings of \$430,000 over a more standard laboratory mechanical system, with energy savings estimated at \$65,000 to \$95,000 annually. Preliminary energy analysis estimates energy use at 30 percent to 50 percent less than that of a more conventional laboratory building.

Other sustainable features integrated into the design include a construction waste management program, a stormwater management system, extensive use of natural light and ventilation, low-flow toilets and waterless urinals, a centrally controlled energy management system, cool roof technology, water-efficient landscaping, and the use of sustainable building materials throughout the project.

Complying with the UC Presidential Policy for Green Building Design, Clean Energy Standards, and Sustainable Transportation Practices, this project has been designed to outperform California Energy Code Title 24 by at least 20 percent. It will participate in the *Savings by Design* program and is expected to achieve 35 to 37 points to achieve a UC equivalent rating of LEED Silver.

Project Reviews and Management

The design of the Biomedical Sciences Facility project has been reviewed in accordance with University policy by UC Santa Cruz's Design Advisory Board. The campus has also conducted independent cost and structural reviews of the project. The Physical Planning and Construction Office, with the oversight of the Vice Chancellor–Business and Administrative Services, will manage this project. Construction of the project is estimated to begin in November 2007, with completion anticipated in early 2010.

Environmental Impact Summary

Pursuant to State law and the University procedures for implementation of the California Environmental Quality Act (CEQA), an Initial Study (IS) was prepared for the Biomedical Sciences Facility. The Draft Initial Study was submitted to the Office of Planning and Research State Clearinghouse and circulated for a 30-day public review period beginning on November 9, 2006, and ending on December 8, 2006. During that time, the document was reviewed by various State and local agencies, as well as by interested individuals and organizations. Eleven comment letters from interested parties were received during public review, including three comments from State agencies, four comments from local agencies, two comments from organizations, and two comments from individuals. Responses to all comments are included in the Final Initial Study/ Mitigated Negative Declaration.

A number of mitigation measures identified in the campus' 2005 LRDP EIR are applicable to this proposed project, and have been included in the project to minimize its potential environmental impacts. The IS also identifies the following potential project-level impacts: aesthetic impacts with respect to removal of trees; potential impacts to nesting or hibernating special status bats due to removal of trees possibly in use by these species; hydrological impacts that could result from improper installation or inadequate maintenance of storm water infiltration features, and conflicts between construction traffic, pedestrians and bicyclists. Measures proposed to mitigate these impacts include one to one replacement of aesthetically valuable trees (consistent with mitigation identified in the 2005 LRDP EIR) and irrigation of remaining trees; sequential removal of trees suspected of potentially harboring bats; post-construction and operation-period inspections of infiltration features, and development of a construction traffic plan and construction-period pedestrian and bicycle route designation and signage. The proposed project-specific mitigation measures would reduce the identified impacts to less-than-significant levels.

The project also would contribute to significant unavoidable impacts identified in the LRDP EIR (inconsistency with the regional air quality plan; the potential to increase erosion as a result of increased storm water runoff; construction noise in the vicinity of sensitive receptors; increased demand for housing; impacts of

increased traffic volumes at off-campus intersections; and increased water demand). However, in each case, the contribution of the proposed project would be within the scope of the LRDP EIR analyses and would not exceed the impact levels previously identified. The project also would contribute to cumulative air quality, population and housing, traffic, and water demand impacts identified in the 2005 LRDP EIR, but the contribution of the project in each case would not be cumulatively considerable. Accordingly, a Mitigated Negative Declaration has been prepared.

The final IS/MND is accompanied by a Mitigation Monitoring program to assure that all mitigation measures are implemented in accordance with CEQA.

Findings

The Findings discuss the Project's impacts, mitigation measures, and conclusions regarding approval of the Initial Study/Mitigated Negative Declaration for this project in conformance with CEQA.

Associate Vice Chancellor Zwart showed slides to illustrate the design.

Vice President Hershman commented that this building is important to the University due to dramatic enrollment growth in the University, including the Santa Cruz campus. Santa Cruz facilities have stood at 70 percent to 75 percent of the State space standards, and the goal is that every campus be brought to 85 percent to 90 percent.

Regent Coombs asked how the environmental and energy saving technology, such as the chilled beam technology, is being transferred across the system. Assistant Vice President Bocchicchio responded that best practices are shared formally through the University of California Project Management Institute and through an annual conference. The University has also received funding from outside agencies for the development of new technologies.

Regent Hopkinson asked for a summary of the concerns put forth regarding the project. Associate Vice Chancellor Zwart explained that the concerns were similar to those given in the public comment period, mainly that a full EIR should have been prepared on the project rather than a tiered initial study and mitigated negative declaration. There were also questions about storm water management, anticipated water use, parking, and the removal of redwood trees, all of which were addressed by the campus. Ms. Drumm, from the Office of General Counsel, added that there were questions regarding traffic mitigation, to which the campus responded with a calculation for providing fair share payments. In response to a question posed by Committee Chair Kozberg, Ms. Drumm explained that the practice of tiering has been used by the University for a number of years and that tiering is also a mechanism recognized and supported in CEQA.

Regent Schilling asked the extent to which the City of Santa Cruz will be able to delay the project, and the cost of the lawsuits. Acting Chancellor Blumenthal

responded that if the City obtains a restraining order then the project will be delayed. General Counsel Robinson responded that the likelihood of obtaining a preliminary injunction will be relatively low, given that UC is on solid legal ground. He stated that the cost of the lawsuits is unknown. Ms. Drumm responded that there are three lawsuits challenging the LRDP, not ten as stated in the public comment period.

Regent-designate Bugay asked for specific data on the incremental use associated with this building. Associate Vice Chancellor Zwart responded that annual water use is estimated at 1.3 to 1.6 million gallons a year.

Faculty Representative Brown wanted to ensure that the Regents are informed of the legal exposure, and asked if there were other possible challenges. Ms. Drumm explained that based on the comments received, the main concerns of the community have already come forth; other concerns have not been vetted with the University system.

Committee Chair Kozberg asked about the fact that the building was not included in the LRDP. Associate Vice Chancellor Zwart explained that the building is within the envelope of the LRDP, but that it was not possible to have included the environmental analysis with the environmental impact report for the LRDP since the project was still in the programming and budgeting phases at the time.

Regent Hopkinson asked that the motion be amended to articulate that the Committee understands the concerns of the community and they want to continue to have a dialogue with the community and resolve these issues, but they feel obligated as part of the charge of their educational mission to approve this project. Regent Schilling accepted the amendment.

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

11. **ACCEPTANCE OF MODIFICATIONS AND CONDITIONS OF APPROVAL BY THE CALIFORNIA COASTAL COMMISSION, NORTH AND WEST CAMPUS LONG RANGE DEVELOPMENT PLAN AMENDMENT, AND MODIFICATION TO FACULTY AND SIERRA MADRE FAMILY STUDENT HOUSING PROJECTS, SANTA BARBARA CAMPUS**

The President recommended that, upon review and consideration of the *Coastal Commission Staff Report*, the Committee on Grounds and Buildings:

- A. Accept the California Coastal Commission's modifications to the North and West Campus Long Range Development Plan Amendment (LRDP Amendment) and Conditions of Approval to the North Parcel Faculty Housing and Sierra Madre Family Housing projects, including:

- (1) Reduce the total number of housing units to be developed in the North Parcel Faculty Housing and Sierra Madre Family Housing projects from 366 to 323 units.
 - (2) Authorize the President to approve, execute and record an irrevocable dedication of, or an offer to dedicate, a Conservation Easement to a public agency or private association on the approximately 70-acre South Parcel of the North Campus prior to development of the North Parcel Faculty Housing for habitat conservation and public access consistent with the terms of the LRDP Amendment and Notice of Impending Development (NOID) as approved by the Coastal Commission.
- B. Authorize the President, after consultation with the General Counsel, to approve and execute:
- (3) The above referenced document.
 - (4) All amendments to the above referenced document as may be necessary or appropriate for satisfying the requirements of the Coastal Commission development and management of the Projects.
 - (5) Such additional documents as may be required by changing circumstances or unforeseen conditions as long as such amendments or additional documents do not substantially alter the foregoing transaction terms approved by The Regents.
- C. Authorize the Secretary to execute all documents approved by The Regents or the President necessary for the completion of these transactions.

Chancellor Yang, Vice Chancellor Carpenter, and Associate Vice Chancellor Fischer presented the request, recalling that the 174.24-acre North and West Campus property (then referred to as “West Devereux”) was purchased in 1995 from the University Exchange Corporation. Following the purchase, the Chancellor convened the North Campus Advisory Group, comprised of environmental science faculty and UCSB administrators, to advise him on a North Campus Plan. The LRDP Amendment and housing projects reflect the recommendations of this group, as well as collaborative planning with the neighboring local jurisdictions, the City of Goleta and Santa Barbara County. The current North and West Campus Plan area is comprised of this 174.24-acre property plus 139.76 acres the University already owned for the 314-acre total project area.

Joint Proposal for the Ellwood-Devereux Coast

The faculty and family student housing projects and open space improvements were planned as part of the *Joint Proposal for the Ellwood-Devereux Coast* (Joint Proposal), a collaborative planning effort of the Santa Barbara campus with the City of Goleta and County of Santa Barbara. Under the Joint Proposal, proposed residential developments within University, City, and County jurisdictions are restricted to areas adjacent to existing development in order to protect and preserve a contiguous 652-acre coastal open space and natural reserve area that spans the three jurisdictions. UC owns 314 acres of the 652-acre total. The Draft Ellwood Devereux Coast Open Space and Habitat Management Plan and related planning materials are available online at: <http://facilities.ucsb.edu/planning/ellwood-devereux/>. The campus, City, and County agreed to plan, process, and approve all of the residential development projects simultaneously so that the Joint Proposal projects could be submitted together to the California Coastal Commission (CCC) as a regional plan for the Ellwood-Devereux coastal area. Each jurisdiction maintains land use authority over development within its boundaries.

September 2004 Regents Approval

In September 2004, The Regents approved an LRDP Amendment to facilitate two housing projects for faculty and family students and open space improvements in the North and West Campus area. Given the campus location within the Coastal Zone, all developments on the Santa Barbara campus are also required to have Coastal Commission approval. The Regents approval authorized the President or his designee to make such changes as required by the Coastal Commission for the Amendment to be consistent with the California Coastal Act, provided that such changes did not substantially alter the scope and location of the housing projects.

Reduction from 236 to 215 Housing Units

Following the September 2004 approval by The Regents, in response to a request by the Coastal Commission Ecologist for additional biological field work and analysis of the North Parcel, additional environmentally sensitive habitat areas (ESHA) were identified in December 2005. As a result, the North Parcel site plan was modified and the number of faculty housing units was reduced from 236 to 215 units. There was no change in the number of housing units on the Sierra Madre family student housing site (151 units). The combined unit count was reduced from the 387 units approved by The Regents to 366 units. Because this reduction in scope was not deemed substantial, the President's designee (Vice President for Budget) approved the reduction in April 2006, based upon an Addendum to the 2004 Environmental Impact Report.

Reduction from 215 to 172 Housing Units

Following additional site visits by the Coastal Commission Ecologist in August and October 2006, approximately one acre of purple needlegrass, and less than an acre of creeping ryegrass, both native grass species, were identified on the North Parcel site. To avoid these areas, the number of units to be developed on the North Parcel faculty housing site was further reduced from 215 to 172 units. The total number of housing units for both sites was thus reduced from 366 to 323 units. There was a slight increase in the size of one of the two wetlands located on the Sierra Madre site following a re-delineation of this area; however, the campus was able to redesign the site plan to accommodate the same number of housing units on this site. The revised Site Plans are attached.

Coastal Commission Conditions of Approval

In November 2006 the California Coastal Commission approved the LRDP Amendment, with modifications, and permitted development of the housing projects, with numerous conditions.

Conservation Easement on South Parcel

One of the key conditions of approval is that The Regents execute and record an irrevocable dedication of, or an offer to dedicate, a permanent Conservation Easement to a public agency or private association on the approximately 70-acre South Parcel of the North Campus for the purpose of coastal resource protection prior to development of the North Parcel Faculty Housing.

The coastal resource protection designation on the 70-acre South Parcel will allow planned open space related facilities (trails, beach access, coastal access parking, and public amenities) and resource management actions (habitat restoration, access and use restrictions, and storm water management). The University will also be responsible for the enhancement, maintenance, and restoration of the South Parcel.

This condition of approval is related to the University’s proposal to reduce buffers from ESHA (e.g., wetlands, native grassland) on the North Parcel from the usual distance of 100 feet to 25 feet and to locate roads and sidewalks that will pass through the reduced buffers to within just a few feet of identified ESHA in some locations. The Coastal Commission made a finding that additional housing can be provided with reduced buffers on the North Parcel, and this will allow development potential to be transferred from the South Parcel to the North Parcel. The Commission has determined that “on balance” the University’s plan to transfer development from the South Parcel to the North Parcel provides a greater level of protection overall to sensitive coastal resources than any other alternative. In making this finding, the Coastal Commission determined that it must remove all future development potential from the 70-acre South Parcel, thus the

Commission required that, prior to commencement of development of the North Parcel, The Regents execute and record an irrevocable dedication of, or an offer to dedicate, a Conservation Easement to a public agency or private association. This irrevocable dedication of, or an offer to dedicate, a Conservation Easement would remove all development potential from the 70-acre South Parcel in perpetuity. The Coastal Commission has imposed similar conditions on other property owners in similar circumstances within the Coastal Zone.

Other Coastal Commission Modifications and Conditions of Approval

The CCC required 12 modifications to the Long Range Development Plan Amendment that are contained in the attached *California Coastal Commission Staff Report "Adopted Findings for Major Amendment 1-06 to the UCSB Certified LRDP, UCSB Notice of Impending Development 1-06 and Coastal Development Permit Application 4-06-097."* Besides reducing the number of housing units, prior to development of the North Parcel Faculty Housing The Regents is required to record an offer to dedicate or grant an open space conservation easement. UC Santa Barbara is also required to prepare a habitat restoration plan for South Parcel concurrent with North Parcel development.

The CCC modifications reduced their typical buffer sizes for Environmentally Sensitive Habitat Areas (ESHA) from 100 feet to 25 feet for wetlands, 50 feet for riparian, 10 feet for native grassland, and 25 feet for monarch butterfly habitat. These buffer sizes are specifically for the North Parcel faculty housing development and would not apply to the entire campus. Mitigation ratios for impacts to each habitat type were also defined (4:1 for seasonal wetlands, 3:1 for riparian habitats, native grassland, and monarch butterfly habitat).

Other modifications include restrictions on any renovations or improvements to the Horse Stables, detailed descriptions of habitat protection policies, and use of pesticides. The CCC modifications restrict equestrian access and dogs from the campus beaches in the snowy plover critical habitat areas as part of a required snowy plover protection program. Modifications require the Santa Barbara campus to work with the local jurisdictions regarding development. The CCC approved public parking at Camino Majorca Road near West Campus Bluffs trail but did not approve public parking at Coal Oil Point.

The CCC modifications also require the Santa Barbara campus to work with Metropolitan Transit District to improve or provide additional public transit from North Campus development. A policy was amended to state that if North Campus development significantly impacts existing coastal access routes on campus, the Santa Barbara campus is to pay its "fair share" costs to the City of Goleta and County of Santa Barbara to implement improvements to roadways to mitigate coastal access impacts.

Notice of Impending Development Special Conditions

The CCC Notice of Impending Development (NOID) special conditions have more detail regarding the South Parcel Open Space and Conservation Easement and permitted uses. Construction of the first 72 units of Faculty Housing requires the Santa Barbara campus to provide a full-time steward for the South Parcel.

The Santa Barbara campus is required to have a Memorandum of Understanding with the City of Goleta and the County of Santa Barbara for the University's payment of a "fair share" of funding for road improvements described in the EIR for this project (*Final EIR for Faculty and Family Student Housing, Open Space and Habitat Management Plan, and LRDP Amendment, September 2004*). An agreement between the jurisdictions must be made at least seven years from occupancy of the North Parcel Faculty Housing project. If an agreement is not made, the University can explore alternative mitigation for traffic impacts and present them to the CCC Executive Director for approval. CCC NOID conditions also require the Santa Barbara campus to work with the Metropolitan Transit District to improve or expand public transit service from new developments.

The CCC conditions included a requirement for separate approval of a Beach Access and Sensitive Habitat Management Plan prior to occupancy of North Parcel Faculty Housing. Conditions also require coastal access parking, signage plan, and an enforcement plan for the protection of Snowy Plovers.

There are a number of other NOID conditions, including construction timing restrictions, erosion control, biological surveys, monitoring plans, water quality management plans, and landscape plans. Prior to the commencement of development, the Santa Barbara campus is required to prepare a Tidewater Goby and Aquatic Species Management Plan and to gain required approvals from the Army Corps of Engineers, Regional Water Quality Control Board, and Department of Fish and Game.

Chancellor Yang showed slides to illustrate the project.

Regent Schilling wanted to ensure that this is the final hurdle for the approval. Chancellor Yang responded that some local tenants still are not happy with the proposal, and that the campus is working with these tenants to achieve a compromise.

Regent Hopkinson asked how the property dedication would be determined and what deed restrictions are placed on the property once it is dedicated that might prohibit its development. Chancellor Yang stated that the Office of the President and the General Counsel's office have helped the campus negotiate with the City of Goleta on the terms of the dedication. Vice Chancellor Carpenter explained the best agency is being identified to help with the conservation easement, and that the dedication would not take place until after the construction has begun.

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

12. UPDATE ON IMPLEMENTATION OF COST REDUCTION STUDY RECOMMENDATIONS

Vice Chancellor Brase presented a progress report on the implementation of the cost reduction study recommendations. He recalled that in August 2006 Regent Kozberg and Vice President Hershman asked five vice chancellors to constitute an ad hoc committee to evaluate progress and recommend actions needed to implement concepts that had been advanced in November 2005 by the Expert Committee on Transforming Capital Asset Utilization and Delivery, a group comprised of Vice Chancellors Blackman, Bolar, Brase, Denton, and Michaels, Associate Vice Chancellor Gladson, and Assistant Vice President Bocchicchio whose task was to recommend actions still needed in order to accomplish goals cited by the Expert Committee.

The expectation by the Expert Committee – that UC could save ten percent of its capital program primarily by avoiding construction of facilities for which business case analysis yielded a non-capital solution – may have been more a hope than a factual construct built on hard data. Two major factors make it impossible to tally up savings and avoided costs, specifically diminished savings due to cost escalation in bids and The Regents’ policy for sustainable buildings. Nevertheless, UC can avoid substantial future costs through the process that has been triggered by the Expert Committee.

A key area on which the Expert Committee focused was that of contractor relations. The University must improve business practices in order to retain the best general contractors and subcontractors who can help identify value-engineering and cost-saving opportunities. Assistant Vice President Bocchicchio recently hosted a meeting involving some of the State’s leading contractors and subcontractors in order to invite a critique of the University’s business practices and make the University “contractor friendly.” His staff is now evaluating the feasibility of the suggestions that surfaced. A related improvement effort stems from a proposal made by UC Irvine, with input from UC Santa Cruz and UC San Diego, to streamline and improve contracting practices; most of these actions are underway or completed.

Another related recommendation of the Expert Committee was that of shorter, simpler business processes as a cost-control strategy. His committee believes that UC project delivery would improve if all campuses prequalified contractors and major subcontractors. UCOP has developed a procedural framework campuses can utilize to prequalify.

The Committee on Grounds and Buildings has welcomed presentation materials that are less than 100 percent developed. Pressure to resolve all design issues down to a level of precision and final presentation quality should be resisted, for it

adds costs and time. Cost issues are best managed when they are recognized, acknowledged, and discussed earlier rather than later. University culture also needs to encourage the utilization and open discussion of flexible bid strategies, such as bid alternatives that reduce project scope in order to manage overages.

A central focus of the Expert Committee was that of project ownership and accountability, based on the understanding that conditions for project cost control are best established at the early stages of planning. Chancellors and executive vice chancellors must pinpoint “key cost-control ingredients” in their campus’ accountability map.

Vice Chancellor Brase presented a slide of “key ingredients and pivotal accountabilities for capital cost control”:

- What specific person must approve scope changes of a specific threshold that surface during construction? Is the threshold appropriate?
- Who is responsible for approval of pre-construction scope changes? Is this a clear and transparent approval action?
- Does value engineering begin early enough to provide an early warning when scope and budget are out-of-sync more than ten percent?
- Does the campus’ process surface and resolve budget vs. scope gaps early, or are they denied later when problems become less manageable?
- Do decision-makers make timely decisions that allow for quality work? Are decisions timely enough to enable funds to be applied without delay once appropriated?
- Does the campus proactively determine its quality standards for building systems and materials? Do these standards get reevaluated periodically?
- Do campus engineers compare physical planning standards with other campuses to discover excessive standards that trigger cost premiums?

Another recommendation by the Expert Committee was that business case analysis be employed in evaluating project alternatives. The Committee on Grounds and Buildings may find it useful to see a checklist in the capital improvement budget approval item that summarizes whether a range of alternatives has been evaluated in the project planning guide.

What is needed is more proactive management, more willingness to assume the risks of trying new strategies, earlier recognition of problems, broader performance metrics that reflect encompassing goals, less gate-keeping and more joint-partnering with OP colleagues, and enthusiastic support of managers who are passionate about solving problems in ways that are resourceful and flexible.

His committee needs guidance from the Committee on Grounds and Buildings in terms of fewer, more meaningful metrics to track progress toward achievement of capital program goals. What are the key goals for the University’s capital program for which metrics would be useful and desirable?

Committee Chair Kozberg asked for volunteers who can assist with metric and other issues where the Committee was mentioned in the report.

Regent Schilling asked if she could receive a copy of the report via email.

Vice President Hershman pointed out that Vice Chancellor Brase has been invited to meet with the executive vice chancellors at their next meeting to review the work of this committee.

Regent Hopkinson stated that the big challenge is one of culture, and asked how he will be able to implement this in order to effect a change. Committee Chair Kozberg noted that this was everyone's challenge, not just that of Vice Chancellor Brase, including all the campuses and this Committee.

Regent-designate Bugay asked about the result of this effort in terms of actual savings, if it is not ten percent. Vice Chancellor Brase responded that it may turn out to be ten percent, but it is hard to estimate in the overheated bidding environment where cost overruns of 10 percent to 30 percent are commonplace. The biggest factor, when costs are escalating one percent a month as they have been for a couple of years, is time; a savings of one percent on a \$50 million project is \$50,000.

In response to Regent-designate Bugay's question, Vice Chancellor Brase explained that there have been large increases in materials as well as labor costs, particularly for mechanical subcontractors because there are only a few that can bond for large projects.

Faculty Representative Brown asked if the recommendations include ways in which the University can combine its aggregate projects to enhance its status as a competitor in the bidding market. Vice Chancellor Brase stated that UC is already a major player at many campuses and in the aggregate, not just in terms of dollar figures but also because high-quality contractors take pride in doing high-quality institutional work, especially institutions that have green principles like UC's.

Vice President Hershman commented that UC has had 25 years of major building construction and spent billions of dollars. The University has a spectacular track record in terms of getting buildings done on time, within budget, that meet the program objectives, and that accommodate huge growth in enrollment and faculty. There have been problems in recent years due to the bidding climate.

Committee Chair Kozberg asked Vice Chancellor Brase to discuss with his colleagues how the key ingredients listed in the presentation can be integrated. Vice Chancellor Brase stated that his committee is available to suggest metrics that stem from goals.

13. UPDATE ON SYSTEMWIDE SOFT COST AUDITS

University Auditor Reed recalled that in March 2006, the Office of the University Auditor presented to the Committee results of the “soft cost” audit for selected capital projects from the Berkeley, Los Angeles, and Davis campuses. At the request of the Committee, the University Auditor expanded the review of soft cost expenditures to the remaining campuses. He explained that soft costs consist of internal fees, external fees, surveys, and tests. The internal fees had raised some area of interest, and became the focus of this additional work on the other locations, particularly the total pool of costs and whether the University was capitalizing the right assets. The auditors looked at a total of 29 projects, 15 State-funded projects, and 14 non State-funded projects.

The soft cost audit found the following:

- The inclusion of certain costs in the total pool of costs to be capitalized, whether directly through time charges or indirectly, was influenced by the structure and funding sources of the various units involved. Some departments were expected to allocate the full cost of the department to capital projects, while other departments were not. The structure of departments also influenced internal fees. If one campus has a capital accountant who reviews costs accumulated in the project management system before the asset is capitalized, they include the cost of the capital accountant in the overhead, whereas at another campus if that service is performed in general campus accounting they may not capture that cost.
- Some costs were questionable for inclusion, because reserves were being built for contingencies that may not meet the accounting rules for the establishment of reserves.
- The process of recharging requires estimates on the front end, that is a recharge rate, and then there is the actual outcome. The policies require that one true up the budget on an actual and annual basis to limit the amount of carryover. Deficits were encountered because there was less recharging than expected, or surpluses were created, neither of which were timely true up. The impact of this is to spread the deficit or surplus over a longer period of time.
- There was some cost shifting between projects without apparent reason other than where budget remained to absorb the costs.

These recommendations have been discussed with and accepted by the budget office, general accounting office, financial management, and facilities management. The following set of actions was agreed upon:

- Guidance in the accounting manual about what costs can and should be capitalized.
- Guidance as to what functions are recoverable through charges to capital programs.

- Oversight in these processes through the campus recharge committees that should approve the rates and the mechanisms by which the campus committees charge to the projects, and close them out and true them up on a timely basis.
- The preparation of closeout budgets, comparing the original budget with the final results. Completely closed out budgets is recommended in order to ensure that the percentage guidelines by the State and the University policy, both on a projected basis and on an actual basis, are met.

Committee Chair Kozberg noted that the Regents will receive a copy of this draft report.

In response to a question posed by Regent Hopkinson, University Auditor Reed stated that the draft report presents both recommendations and management’s planned corrective actions. She asked about the financial implications of the recommendations, presuming that some of the costs currently recovered will not be allowed in the future. University Auditor Reed agreed that there are funding implications. Vice President Hershman responded that the Office of the President is working with auditors and campuses to establish guidelines and policies with the campuses and will inform the Committee of the financial implications at a later date.

14. ANNUAL REPORT ON GREEN BUILDING, CLEAN ENERGY, AND SUSTAINABLE TRANSPORTATION POLICY

Committee Chair Kozberg noted that since Regent Ledesma requested more discussion on this item, it will be deferred to the March meeting of the Committee.

The meeting adjourned at 2:50 p.m.

Attest:

Acting Secretary