

The Regents of the University of California

**COMMITTEE ON GROUNDS AND BUILDINGS**

May 15, 2007

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

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

In attendance: Regent-designate Brewer, Secretary and Chief and Staff Griffiths, Associate Secretary Shaw, General Counsel Robinson, Provost Hume, Executive Vice President Lapp, Vice President Sakaki, Chancellors Fox and Vanderhoef, Acting Chancellor Blumenthal, and Recording Secretary Smith

The meeting convened at 11:00 a.m. with Committee Chair Kozberg presiding.

1. **PUBLIC COMMENT**

There were no speakers wishing to address the Regents.

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

Upon motion duly made and seconded, the minutes of the meeting of March 13, 2007 were approved.

3. **AMENDMENT OF THE BUDGET FOR CAPITAL IMPROVEMENTS AND THE CAPITAL IMPROVEMENT PROGRAM, AND APPROVAL OF EXTERNAL FINANCING, POLICE STATION REPLACEMENT BUILDING, LOS ANGELES 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:

Los Angeles: Police Station Replacement Building – preliminary plans, working drawings, construction, and equipment – \$20,160,000 to be funded from external financing.

B. The President be authorized to obtain external financing not to exceed \$20,160,000 to finance the Police Station Replacement Building project, subject to the following conditions:

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

The Los Angeles campus proposed to construct a new 14,874 asf (23,822 gsf) Police Station to replace the seismically deficient and obsolete building that currently accommodates the campus police, at a total project cost of \$20,160,000 to be funded by external financing.

Vice Chancellor Olsen recalled that the existing Police Station is a two-story 9,261 asf (11,617 gsf) structure built in 1958. The building accommodates police department administrative and operations functions, and serves as the central hub for all campus and medical center fire and security alarm systems. It is centrally located with respect to the general academic core campus, on-campus student housing, the medical center and emergency room facilities, and the campus' emergency operations command center. This essential services facility must operate without interruption at all times in order to provide emergency communications and response services to the campus community.

The existing building was designed to resist significantly lower seismic loads than would be used currently in the design of a facility for law enforcement use, and it has not received any structural or accessibility upgrades since it was built. Deficient conditions include a lack of symmetry in the placement of its shear walls, a lack of lateral resistance along the length of the building's east façade, poor interconnection between foundation pile caps and interior columns, and lack of elevator access to the second floor. The building has a UC seismic rating of "Poor." In addition, police operations have grown significantly over the years, resulting in overcrowded conditions within the existing facility.

The campus studied various alternatives to improve the deficient conditions, including relocation of the facility to another campus location, seismic retrofit and expansion of the existing facility, and demolition and replacement of the facility on the existing site. Relocation to another location proved infeasible due to the lack of a centrally located site that could accommodate the police department's space and parking requirements. Seismic retrofit and expansion also proved to be

infeasible due to the cost and difficulty of maintaining critical operations within a small building on a compact site through what would be a multi-phase construction project. Planning studies confirmed that a replacement building could be constructed on the site in less time and at lower cost than trying to expand and retrofit an occupied facility.

### ***Project Description***

The proposed project would construct a new two-story 14,874 asf (23,822 gsf) Police Station on the site of the existing facility at the intersection of Charles E. Young Drive South and Westwood Plaza, adjacent to the Energy Services Facility. The proposed space allocation includes 3,257 gsf of covered unenclosed space to provide on-site parking for patrol cars and emergency response vehicles. The proposed project is consistent with the 2002 Long Range Development Plan.

The new building would provide office, conference, locker/shower, telecommunications, and related support space to accommodate patrol field operations, detective and crime investigation, suspect detention, emergency medical response, community safety assistance, and emergency communications functions. The facility would operate 24 hours, seven days a week in order to provide uninterrupted emergency communications and response services to the campus community. It would be designed to meet the seismic strength and performance standards required for an essential services building.

The scope of work would include demolition of the existing building and site improvements; provision of utilities, storm drainage, and emergency power; and installation of paving, landscaping, fencing, and site lighting. Interior improvements would include installation of audio visual and security systems; installation of telecommunications systems (conduit only); and provision of finishes, casework, lockers, window blinds, detention equipment, and kitchen appliances. Group 2 and 3 furniture and equipment would include office workstations and free-standing furniture. The existing facility would be vacated and the functions staged to temporary locations prior to the start of construction under a separate campus-approved project.

Construction is scheduled to commence in March 2008, with completion by November 2009. Separate contracts would be bid and awarded for demolition/abatement and construction of the building.

### ***Construction Cost Issues***

The proposed project budget reflects special use requirements for police facilities and the building's location on a constrained urban site.

To meet the requirements for an essential services facility, the building needs a seismic design to resist lateral loads that are 50 percent greater than those for a

typical office building. The building envelope requires fire-rated construction due to its adjacency to the Energy Services Facility. Exterior cladding needs to be UCLA blend brick due to its location at the main campus entry, consistent with the UCLA Vision Plan.

The interior space plan requires more extensive partitioning, equipment, and casework to accommodate specialized police holding, communications, locker room, and crime investigation functions; provision of bullet-proof glazing in public areas; and more intensive mechanical, electrical, and plumbing systems than those needed in a typical office building.

Site work includes demolition and hazardous materials abatement to clear the site for construction; rerouting of an extensive cabling network serving the emergency communications center, including fire alarm and security monitoring systems for all campus buildings; relocation of electrical and telephone conduit serving adjacent buildings; and relocation of power and replacement of the emergency generator that serves both the police facility and the campus' Emergency Operations Center in the adjacent Energy Services Facility with a higher capacity generator. Site constraints require provision of covered parking to accommodate the program.

#### ***Policy on Sustainable Practices***

This project will comply with the *University of California Policy on Sustainable Practices*. As required by this policy, the project will adopt the principles of energy efficiency and sustainability to the fullest extent possible, consistent with budgetary constraints and regulatory and programmatic requirements. Specific information regarding energy efficiency and sustainability will be provided when the project is presented for design approval.

The project will be designed to achieve a minimum UC-equivalent LEED NC certified rating.

#### ***CEQA Classification***

In accordance with the California Environmental Quality Act (CEQA), this project would qualify for a Categorical Exemption under CEQA Guidelines Section 15302, Class 2(a) Replacement or Reconstruction, and Section 15301, Class 1(e)(2) Existing Facilities.

#### ***Financial Feasibility***

The total project cost of \$20,160,000 at CCCI 5360 would be funded by external financing.

Based on long-term debt of \$20,160,000 amortized over 30 years at 5.75 percent interest, the estimated annual debt service will be \$1,426,000. The campus has pledged its share of the University Opportunity Fund as a source of repayment. The University Opportunity Funds are a portion of the indirect cost recovery on federal contracts and grants. The University Opportunity Fund Debt Repayment Policy requires that the campuses meet two financial tests: (1) that the amount pledged for debt payments shall not exceed 65 percent of a campus' total Opportunity Funds allocated each year, and (2) that no more than 33 percent of a campus' total Opportunity Funds allocated each year are used for debt service repayment. The Los Angeles campus meets both tests. In FY 2011-12, the second full year of occupancy and first year of principal and interest for the project, 53.7 percent of campus' total Opportunity Funds allocated will be pledged for debt service.

In response to a question from Regent Hopkinson about the disproportion between the gross and assignable square footage, Mr. Olsen stated that the building has an unusual requirement of covered but unenclosed parking, one-half of which counts toward gross square footage. Campus Architect Averill explained that the project is aiming for 67 percent efficiency; excluding the parking area raises the efficiency to 72 percent. Regent Hopkinson commented that this is still a high percentage of unallocated space.

In response to a question from Regent Hopkinson regarding the cost of the project, Mr. Olsen enumerated some of the factors that contribute to cost, including the seismic design required for a building of this type, the soil conditions, the fire-rated wall, and specialized interiors such as locker rooms, shower facilities, bulletproof glazing on windows, and holding cells for detainees. Assistant Vice President Bocchicchio elaborated on the cost of the project, explaining that this is an essential services building that has similar requirements to hospital construction. Additionally, the small size of the site results in high cost construction being contained in a smaller area.

In response to a question posed by Regent Schreiner regarding the external financing, Mr. Olsen explained that the rate of 5.75 percent is a feasibility rate established by the Office of the President that includes a risk premium. Recent placements have been financed a rate of approximately 4.7 percent.

In response to a question from Regent Ledesma, Mr. Olsen explained that during the construction phase, the majority of the police operations will be staged in the Ross Building, located on Lot 36.

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

4. **AMENDMENT OF THE BUDGET FOR CAPITAL IMPROVEMENTS AND THE CAPITAL IMPROVEMENT PROGRAM, TELEMEDICINE AND PRIME FACILITIES PHASE 1, LOS ANGELES CAMPUS**

The President recommends that the 2007-08 Budget for State Capital Improvements and the Capital Improvement Program be amended to include the following project:

Los Angeles: Telemedicine and PRIME Facilities Phase 1 – equipment – \$19.7 million to be funded from State funds.

The Los Angeles campus proposed to install telecommunications equipment in existing facilities to improve patient access to healthcare and to support expanded medical school enrollments that are responsive to disadvantaged communities, to be funded with State funds.

Vice Chancellor Olsen recalled that the 2006 Kindergarten-University Public Education Facilities Bond includes funding for capital improvements at the University of California that expand and enhance medical education programs and place emphasis on expanding the use of telemedicine to improve health care. The Los Angeles campus intends to use this funding for a two-phased plan to improve facilities for medical education and delivery of health care in the School of Medicine programs. Both phases include medical education in the David Geffen School of Medicine at UCLA, the Thomas Haider Program in Biomedical Sciences at UC Riverside, and the collaborative program with Drew University of Medicine and Science. Clinical facilities that would be improved to support telemedicine activities include the UCLA and affiliated teaching hospitals and clinics and a number of community clinics in the Los Angeles and Riverside areas.

The University of California has been establishing Programs In Medical Education (PRIME) at the Schools of Medicine at five campuses, incorporating specific training and a curriculum designed to prepare future practitioners to address health care disparities. The special training includes enhancing cultural knowledge and sensitivity of the diseases and health problems prevalent in disadvantaged and underserved communities, and providing field experience in those communities. The programs will emphasize the use of technology to overcome geographic barriers for quality of care.

The purpose of UCLA PRIME is to prepare the physicians who will address these needs and be the leaders and health care advocates who understand and are responsive to the needs of diverse disadvantaged communities across the state. UCLA PRIME will provide additional training and field experience to help future physicians understand the barriers to health care, which may include low socioeconomic status, lack of insurance, language barriers, and lack of access to health care based on transportation and distribution of physicians. Under the

current proposal, the UCLA telemedicine program will be extended substantially across the region, providing access to a new level of service for communities as well as reinforcing the training of PRIME students.

The proposed Phase 1 project focuses on actions that could be taken in existing facilities to improve substantially both health care delivery and the education of PRIME students. It would provide telecommunications capability for healthcare delivery and training, including the equipping of emergency departments (with an early emphasis on stroke patients) and patient exam rooms, and creation of consultation suites at the hospitals and clinics in the UCLA medical center system and its affiliates. This would result in improved patient care by making it possible for specialists in UCLA's medical centers to provide direct consultation services to otherwise isolated and underserved patients and local healthcare providers.

Many of the same sites serve as education sites for the PRIME students. The technology of telemedicine would support and enhance diagnosis, treatment, and follow-up care, in addition to adding new education opportunities for medical education for the UCLA, UCLA/UCR, and UCLA/Drew medical students. Telemedicine technology would allow for selected rooms at the UCLA, UCR, and Drew campuses and at hospitals and clinics to be equipped to support medical education and distance learning for students at separate sites, making it possible for the PRIME students to participate in courses, lectures, or grand rounds (formal meetings at which physicians discuss patient clinical cases) with their peers located at the three campuses or clinical locations.

A subsequent Phase 2 project, currently under study, would address facility needs that involve more substantial alteration or construction, providing additional campus facilities necessary to support the UCLA, UCLA/UCR, and UCLA/Drew medical programs and furthering advances in providing health care to the underserved.

### ***Project Description***

The proposed project would provide and install telecommunications equipment in hospitals, clinics, and campus facilities supporting an increase in patient access to health care and expanded medical school enrollments that are responsive to disadvantaged communities. The equipment would be movable, so that it can be relocated in response to changing needs over time. The following elements listed below reflect the most critical needs of the UCLA School of Medicine, and the UCLA/UCR and UCLA/Drew programs as identified during project planning; implementation of project components would be subject to further assessment and limited by cost. The scope of work would include the following:

***Healthcare Delivery and Training***

At locations including UCLA, including its affiliated teaching hospitals, clinics, and community clinics:

- Equip approximately 30 emergency departments with mobile telemedicine carts that include a screen, camera, and power and network connections to facilitate real-time consultation from an emergency department to a physician at another location.
- Equip approximately 38 patient exam rooms with mobile telemedicine carts to allow the patient and local resident, nurse, or other healthcare physician to consult with a specialist or another physician at a different site. Selected carts would include ophthalmology cameras; ear, nose, and throat scopes; EKG monitors; and other devices.
- Equip approximately 10 physician consultation suites with teleconferencing capability to enable physicians to interact with patients at another site.
- Equip approximately five “smart” conference rooms with teleconferencing capability to allow physicians and students to participate in grand rounds and continuing education programs from remote locations.

Depending on the site, minor modifications to connectivity, lighting, and sound attenuation may be required. It is expected that most physical improvements at local clinics would be provided by the clinic; UC would provide additional assistance with equipment installation.

***Medical Education and Distance Learning***

At locations including UCLA and its affiliated teaching hospitals and clinics, community clinics, and the UCLA, UC Riverside, and Drew University campuses:

- Equip approximately two operating rooms at the Santa Monica Hospital with broadcast and teleconferencing capability to allow real-time interaction between surgeons and observers (students and physicians) during operations.
- Equip approximately four auditoriums with teleconferencing equipment, including high-definition screens, participant-response capability, cameras, and supporting networking equipment. The equipment would enable the broadcast of lectures and presentations to remote sites across the network and facilitate the interaction of medical students with surgeons performing surgery or physicians on grand rounds.



- Equip approximately 10 smart classrooms with full teleconferencing capability and network connectivity to allow PRIME students to participate in instructional activities from remote locations.
- Equip approximately 10 mock exam rooms with patient exam tables and teleconferencing capability. These rooms will allow the PRIME students to work with simulated patients and their peers in life-imitated activities. Patient simulation equipment would be installed in selected rooms.

***Policy on Sustainable Practices***

This project will comply with the *University of California Policy on Sustainable Practices*. As required by this policy, the project will adopt the principles of energy efficiency and sustainability to the fullest extent possible, consistent with budgetary constraints and regulatory and programmatic requirements.

***CEQA Classification***

In accordance with the California Environmental Quality Act (CEQA), this project is classified Categorical Exemption under CEQA Guidelines Section 15301, Class 1(e)(2) Existing Facilities.

***Financial Feasibility***

The total project cost of \$19.7 million would be funded by State funds.

Regent Johnson asked if other medical centers will have access to the bond funds. Director Heinecke explained that the \$200 million bond was included in Proposition 1D, with the direction that the money be used to promote telemedicine activities by UC's five medical schools. The Regents' budget presented in November 2006 included projects for four medical schools. Since the proposal for the UCLA medical school was not available at that time, it was being presented at this meeting.

In response to a question from Regent-designate Brewer regarding collaboration among campuses, Associate Vice Chancellor Robinson explained that all campuses participated in discussions held with UC Davis to obtain advice on the type of equipment necessary. UC Davis will act as a central resource and hub through which all the other programs will work across the State. Program evaluation will also be centralized and information shared.

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, AND APPROVAL OF EXTERNAL FINANCING, GRADUATE SCHOOL OF MANAGEMENT AND CONFERENCE CENTER, DAVIS CAMPUS**

The President recommended that:

- A. The 2006-07 Budget for Capital Improvements and the Capital Improvement Program be amended as follows:

Davis: Graduate School of Management and Conference Center – preliminary plans, working drawings, and construction – \$34,500,000, to be funded from external financing (\$31,500,000) and gifts (\$3,000,000).

- B. The President be authorized to obtain external financing not to exceed \$31.5 million to finance the Graduate School of Management and Conference Center project, subject to the following conditions:

- (1) Interest only, based on the amount drawn down, shall be paid on the outstanding balance during the construction period.
- (2) Repayment of the external financing shall be from the campus' share of the University Education Fund (for \$11.4 million of debt) and facility revenues (for \$20.1 million of debt), and funds available to the Chancellor, which shall provide net revenues sufficient to pay debt service and to meet all related financing requirements of the proposed funding.
- (3) The general credit of The Regents shall not be pledged.

- C. The Officers of The Regents be authorized to provide certification to the lender that interest paid by The Regents is excluded from gross income for purposes of federal income taxation under existing law.

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

The Davis campus requested an amendment to the Capital Improvement Program and financing approval for the Graduate School of Management and Conference Center project for a total project cost of \$34.5 million at a CCCI of 4953. The project would be funded from gift funds of \$3 million and external financing of \$31.5 million. The project would include a 82,000 gsf building for the Graduate School of Management, a campus conference center, and offices for University Relations.

Assistant Vice President Bocchicchio recalled that in March 2002, The Regents approved the business terms for a ground lease for the Conference Center, Hotel, and Graduate School of Management Building project, whereby a third-party developer would finance the project and operate the building as a landlord for campus programs. The Regents also approved the design of project and certified the final tiered Environmental Impact Report.

Since that time, third-party development of the non-hotel portion of the project has proven infeasible. The hotel is proceeding as a private development, to be financed and operated by a third party under a ground lease. The earlier project also included an administration building, which has been reduced in size in response to other campus priorities for the use of debt resources to fund capital projects.

The Graduate School of Management was established on the Davis campus in 1981. It is distinguished by a small student body, small class sizes, and faculty committed to a supportive educational environment. Current enrollment is 120 students in the Daytime MBA program and 315 part-time students in two Working Professionals MBA programs. Students are taught by 29 tenure-track faculty members and 18 lecturers, adjunct professors, and visiting scholars. The School has been housed in building AOB4 since 1981. The School has steadily grown in the number of students, faculty, and staff without similar growth in its facilities. The result is an overcrowded and inappropriate space configuration that does not adequately support the teaching, research, and service programs of the School.

The Davis campus lacks a major conference facility, and there are no adequate facilities available nearby in the City of Davis. The University Club building, used on a limited basis for conferences, is small, outdated, and limited to conferences of up to 70 attendees, with no restaurant service. Demand is high among campus academic and support programs for a large conference center with ballroom and professional-level restaurant capabilities.

Several units within the University Relations department are located in off-campus leased space, which is not appropriate for the relationships being fostered with donors, public agencies, alumni, visitors, and the general public. Development programs are particularly constrained by their current off-campus facilities. In November 2006, President Dynes and the UC Davis Foundation approved a comprehensive gift campaign for the Davis campus. The comprehensive campaign is in its quiet phase and plans a public launch to coincide with the campus' centennial celebration in 2008-09. The current leased space for development is inadequate to support this effort.

***Project Description***

The Graduate School of Management and Conference Center project would construct a 55,700 assignable square foot (asf) facility located in the South Entry District of the Davis campus. The project would relocate the Graduate School of Management (GSM) from an overcrowded and inadequate facility into a modern building appropriate for GSM programs. The Conference Center facility would fulfill a long-standing need on the Davis campus for a contemporary facility to host academic and professional meetings. Adjacency of the GSM and Conference Center in a single building, sharing the South Entry Quad with the Mondavi Center for the Performing Arts and the Buehler Alumni and Visitors Center, would enhance programmatic linkages between the GSM and the regional business community.

The project would address urgent needs of University Relations for office space located on the campus. Programs that represent the Davis campus to donors, alumni, visitors, and the general public would be moved from leased space off campus into offices on the second floor of the Conference Center. These programs, which include the Office of Development, Government, and Community Relations, and University Communications, need a facility and a location suitable for donors, governmental officials, and others who visit the campus.

The new building would include approximately 23,200 asf for the GSM, replacing current space in the AOB4 building and providing new space for enrollment growth, including instructional space, academic offices, research offices, administrative offices and support, conference and break-out rooms, computer labs and computer support space, and spaces for student support and activities.

The Conference Center portion of the project would replace the conference space in the University Club building. The Conference Center will include approximately 11,200 asf of meeting rooms and support space, including a ballroom that can be flexibly reconfigured into three meeting rooms, two small offices, a conference registration area, a small bookstore and gift shop, space for storage, and audio visual support. The 7,300 asf restaurant would include dining areas, a full kitchen, and a coffee bar; this space would be leased to a third party to operate. The restaurant is project to generate approximately \$175,000 per year in lease revenue.

The second floor above the Conference Center will contain approximately 14,000 asf in administrative offices for University Relations. These spaces will include approximately 37 offices, 50 workstations, and 3 small conferences rooms.

The project would be implemented using the design-build contracting method. The design-build teams (bidders) are provided with a detailed Request for

Proposal, which includes the Project Planning Guide, the Detailed Planning Guide, and campus design standards. Construction is anticipated to begin in January 2008, with completion anticipated in June 2009.

***Secondary Effects***

The project will release approximately 15,400 asf in the AOB4 building currently occupied by the Graduate School of Management. This space will become a new home for the School of Education, now located in overcrowded and dispersed space in the Academic Surge building and several temporary buildings. Space vacated by the School of Education will, in turn, allow the College of Engineering to expand its programs in Mechanical and Aeronautical Engineering from other portions of the Academic Surge building.

The project also will release approximately 6,000 asf of conference space in the University Club, which will be converted to academic use by the Department of Theater and Dance. Approximately 14,000 asf in off-campus leased space will be vacated through the relocation of University Relations units into the second floor of the Conference Center.

***Policy on Sustainable Practices***

This project will comply with the *University of California Policy on Sustainable Practices*. As required by this policy, the project will adopt the principles of energy efficiency and sustainability to the fullest extent possible, consistent with budgetary constraints and regulatory and programmatic requirements.

***Funding Plan***

The estimated project cost is \$34.5 million, to be funded by \$31.5 million in external financing and \$3 million in gifts for the GSM portion of the facility. The debt repayment plan is based on allocation of the project cost into two major portions: (1) GSM totaling \$14.4 million, to be funded by \$11.4 million in external financing and \$3 million in gifts; and (2) Conference Center and University Relations office space totaling \$20.1 million, to be funded entirely by external financing.

***Graduate School of Management***

The Davis campus' share of the University Education fund is pledged for repayment of the \$11.4 million of external financing for GSM. The Education Fund is the indirect cost recovery from private contract and grants, similar to the Opportunity Fund, which is the indirect cost recovery on federal contracts and grants. Historically, the Education Fund has been taken into consideration when campuses have requested a Presidential waiver to the Opportunity Fund pledge limit of 65 percent. Over the past several years, the Education Fund has been

discussed as a new stand-alone fund source for financing, and at this time, the President and his staff are in the process of finalizing a policy regarding this fund source which would be similar to the Presidential policy in place for the Opportunity Fund, such as the 65 percent pledge limit. This project has been granted an exception by the President to pledge the Education Fund for the external financing in anticipation of the forthcoming new policy.

The gift campaign for the project is underway, and as of March 2007 the status is as follows:

Gifts in Hand:	\$ 113,000
Gifts Pledged:	424,000
<u>Gifts to be Raised:</u>	<u>2,463,000</u>
Total Gifts:	\$3,000,000

***Conference Center and University Relations***

Project revenues and funds available to the Chancellor are pledged for external financing of \$20.1 million for the Conference Center and University Relations space in the facility.

Project revenues are rent paid by the restaurant owner/operator. The base rent for the restaurant space, approximately 7,300 asf within the Conference Center, is projected to be \$175,000 per year. Although lease payments will include a percentage of restaurant revenues above the base, only the base rent is being pledged for debt service.

The balance of the pledge source for the Conference Center portion of the project is funds available to the Chancellor. When the adjoining hotel is developed, the campus will receive ground lease payments, calculated as a percentage of gross room revenue. Since the ground lease has not yet been finalized, this revenue is not pledged against the debt at this time. The campus anticipates annual ground rent of approximately \$100,000 that could be used for debt repayment. The project would allow the campus to vacate approximately 14,000 asf in off-campus lease space, generating lease cost savings of \$310,000 per year.

Chancellor Vanderhoef recalled that UC Davis is in the midst of constructing a new entry district on the campus in order to engage the broader population in the region with the University community. The area includes the alumni center, visitor’s center, Mondavi Center for the Performing Arts, Mondavi Institute for Food and Wine Science, which is currently under construction, and a vineyard, to be planted next spring. The Graduate School of Management and Conference Center will allow the campus to host conferences for the business community.

Regent Hopkinson commented that the school and conference center should be significant naming opportunities for large donors. Vice Chancellor Meyer stated

that the campus is negotiating naming opportunities, with a target of \$10 million; \$3 million would be used for the building and the balance would be used for programs.

In response to Regent Kozberg’s question regarding the shift in planning for this project, Mr. Meyer explained that the conference center presented a financing challenge for the private developers and that the third-party debt would remain on the campus’ balance sheet. Given these issues, the campus decided that the best approach would be to construct the building as a design-build project through the campus. The campus assumed the budget model developed by the private developers to ensure that the project be delivered for essentially the same cost as that proposed by the third-party.

Regarding Regent Kozberg’s question about catering facilities, Mr. Meyer clarified that the hotel will have a completely separate food facility for its guests. The restaurant will be the caterer to the conference center as well as Mondavi Center events. In this way the campus hopes to service a portion of the debt using the revenue from the restaurant owner/operator.

In response to a question posed by Regent Johnson, Mr. Meyer explained that no revenue is assumed from the conference center. In terms of design, the campus hopes to stay within the parameters of the design presentation made previously to the Committee, but if circumstances require that the campus return with another design proposal, it will seek to maintain a similar design as the original proposal.

In response to a question from Regent-designate Bugay regarding the timeline of the project, Mr. Meyer stated that once the project gains approval from the Committee, the three finalists will be announced within the day. A design-build competition will be held, and the two firms that were not chosen will be given a stipend in exchange for their design, with the purpose of using their ideas to improve the overall design of the project. Construction will begin in January or February of 2008 and doors are scheduled to open by summer quarter 2009. The hotel portion is scheduled to come before the Committee at the July meeting; its doors will open on the same day as the other buildings.

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 AND APPROVAL OF EXTERNAL FINANCING FOR SOCIAL AND BEHAVIORAL SCIENCES BUILDING, IRVINE CAMPUS**

The President recommended that:

- A. The 2006-07 Budget for Capital Improvements and the Capital Improvement Program be amended as follows:

From: Irvine: Social and Behavioral Sciences Building – preliminary plans, working drawings, construction, and equipment – \$55,992,000 to be funded from State funds (\$43,212,000), campus funds (\$2,780,000), and external financing (\$10,000,000).

To: Irvine: Social and Behavioral Sciences Building – preliminary plans, working drawings, construction, and equipment – \$61,705,000 to be funded from State funds (\$43,212,000), campus funds (\$2,780,000), and external financing (\$15,713,000).

- B. The President be authorized to obtain external financing not to exceed \$15,713,000 to finance the Social and Behavioral Sciences project, subject to the following conditions:
  - (1) Interest only, based on the amount drawn down, shall be paid on the outstanding balance during the construction period.
  - (2) Repayment of the debt shall be from the Irvine campus’ share of the University Opportunity Fund.
  - (3) The general credit of The Regents shall not be pledged.
- C. The Officers of The Regents be authorized to provide certification to the lender that interest paid by The Regents is excluded from gross income for purposes of federal income taxation under existing law.
- D. The Officers of The Regents be authorized to execute all documents necessary in connection with the above.

The Irvine campus proposed a budget augmentation of \$5,713,000 to the Social and Behavioral Sciences Building project to be funded from external financing, increasing the total budget to \$61,705,000. This augmentation will allow the campus to accept bid alternates to construct 13,815 asf of previously approved debt-funded space that could not be awarded within the approved project budget.

Assistant Vice President Bocchicchio recalled that in November 2004, The Regents approved the 2005-06 Budget for Capital Improvements, which included the Social and Behavioral Sciences Building project at a sum of \$43,500,000, comprised of preliminary plans (\$2,280,000), working drawings (\$570,000), construction (\$35,150,000), and equipment (\$2,700,000 from State funding and \$2,700,000 from campus funds). The 2006-07 Budget for Capital Improvements, approved by The Regents at the November 2005 meeting, included an inflationary adjustment for the construction and equipment phases of the project, increasing the total budget to \$45,992,000. In January 2006, The Regents approved an increase to the project cost of \$10 million, for a total cost of \$55,992,000, to construct an additional 14,750 asf of campus-funded office and dry laboratory space to help consolidate School of Social Ecology activities and to release space on campus for reassignment to units currently in leased space or for other campus



priorities. In May 2006, The Regents approved the building design and adopted the Mitigated Negative Declaration and the Mitigation Monitoring Program, and adopted Findings.

### ***Status and Need for Augmentation***

Because of the volatility of the construction market and resulting budget uncertainties, the bid package for the Social and Behavioral Sciences Building included a number of alternates to allow flexibility in aligning project scope with construction costs at the time of bid. The base bid consisted of the State-funded space, with alternates providing options for constructing some or all of the campus-funded space to be located on the top level (fifth floor) of the building to provide construction flexibility. Several other alternates also were included for items such as an additional elevator and built-in casework.

The project was bid to three pre-qualified design-build teams, with bids opened on March 20, 2007. The approved budget was sufficient to award a contract that includes construction of the State-funded portion of the project as well as minimal shelling of approximately one-half of the fifth floor. This shell includes construction of walls, floor, and roof, but no mechanical/electrical/plumbing systems or interior build-out. In order to take advantage of the best prices for certain construction materials, the base bid has been awarded.

An increase to the project budget of \$5,713,000 is requested in order to accept alternates that would construct the entire fifth floor, finish it as open office space, and add a second passenger elevator to the building. Of this total, \$5,496,000 is necessary to fund the contract alternates and out-of-contract telecommunication costs, and \$217,000 is required to cover associated management and inspection costs. The cost for this additional 13,815 asf represents an extremely good value, and it is essential to proceed with this work to address the campus's extensive growth needs.

Between 2005-06 and 2011-12, the Irvine campus is projected to add over 6,300 additional student FTE and nearly 340 new faculty. This growth is generating high-priority needs for new space throughout the campus, and even with completion of the approved projects in UCI's capital program, the campus will be facing significant space deficits in coming years. One recent strategy for addressing urgent facility needs has been the transfer of administrative units off campus in order to provide expansion space for academic growth within the campus core. UCI currently leases more than 70,000 asf of administrative space at a significant annual cost. Providing adequate and appropriate facilities in the campus core to cope with the growing demand for all types of space is a high priority. Augmenting the Social and Behavioral Sciences project to provide additional space is a cost-effective way to address these urgent needs.

***Project Description***

The Social and Behavioral Sciences Building project as proposed would total 77,483 asf. This is approximately 1.7 percent less than the asf previously approved by The Regents, and is the result of minor refinements made during the design process. The State-funded portion of the project provides 63,668 asf for the Schools of Social Sciences and Social Ecology, including instructional laboratories, research laboratories, academic, and administrative offices. The campus-funded space, for which the augmentation is requested, would provide 13,815 asf of office space to replace the School of Social Ecology’s space in the Multipurpose Academic and Administrative Building (MPAAB), a campus-funded surge building completed in 2002. This would help to consolidate Social Ecology activities and release approximately 12,000 asf in MPAAB for reassignment to meet other campus needs.

The project site is in the Social Sciences Quadrangle on Parking Lot 3, adjacent to the Social Sciences Plaza buildings. This site is in conformance with UCI’s Long Range Development Plan. Completion of the project is scheduled for the summer of 2009.

***Policy on Sustainable Practices***

This project will comply with the *University of California Policy on Sustainable Practices*. As required by this policy, the project will adopt the principles of energy efficiency and sustainability to the fullest extent possible, consistent with budgetary constraints and regulatory and programmatic requirements. Specific information regarding energy efficiency and sustainability was provided when the project was presented for design approval.

***CEQA Classification***

In accordance with University of California guidelines for the implementation of the California Environmental Quality Act, environmental documentation was prepared for consideration in conjunction with the project design review. The Mitigated Negative Declaration and Mitigation Monitoring Program were adopted by The Regents at the May 2006 meeting.

***Financial Feasibility***

The total cost for the Social and Behavioral Sciences project is now \$61,705,000. This includes \$10 million in external financing approved in January 2006 and an additional \$5,713,000 in external financing requested for approval in this action. Based on long-term debt of \$15,713,000 amortized over 30 years at 5.75 percent interest, the estimated average annual debt service would be \$1,111,200. 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's total Opportunity Funds allocated each year, and (2) that no more than 33 percent of the campus's total Opportunity Funds allocated each year are used for debt service payment. The Irvine campus meets both tests. In FY 2010-11, the second full year of occupancy and first full year of principal and interest for the project, 62.4 percent of the campus's total Opportunity Funds allocated would be pledged for debt service.

Vice Chancellor Brase explained that shelled space is included in many projects on the Irvine campus in order to meet the needs of the rapidly growing campus and to buffer against market fluctuations.

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

**7. AMENDMENT OF THE BUDGET FOR CAPITAL IMPROVEMENTS AND THE CAPITAL IMPROVEMENT PROGRAM, UCSD MEDICAL CENTER EAST CAMPUS BED TOWER, SAN DIEGO CAMPUS**

The President recommended that the 2006-07 Budget for Capital Improvements and the Capital Improvement Program be amended to include the following project:

San Diego: UCSD Medical Center East Campus Bed Tower – preliminary plans – (\$12 million) to be funded from hospital reserves.

Chancellor Fox, Vice Chancellor Brenner, Director Liekweg, and Associate Vice Chancellor Hellmann presented the campus' request. It was recalled that the UC San Diego health care system operates two major medical campuses: the UCSD Medical Center East Campus on the eastern portion of the University's campus in La Jolla, and the UCSD Medical Center-Hillcrest located 13 miles to the south. Each Medical Center complex currently supports an acute care hospital and a full spectrum of outpatient primary and specialty medical and surgical services.

The San Diego campus requested approval to proceed with the preliminary plans (P) phase of the UC San Diego Medical Center East Campus Bed Tower Project, to be funded from \$12 million in hospital reserves. During this phase, preliminary plans to build a 125-to-150-bed tower next to the Thornton Hospital by 2014 would be completed. This project is necessary to allow for operation of all UCSD inpatient beds and to proceed with expansion and modernization plans for the Hillcrest campus.

Both UCSD hospitals operate under one license for 505 acute care beds, but only approximately 460 beds can be operated today due to facility limitations. An additional 35 licensed beds comprise UCSD's Child and Adolescent Psychiatry program located off site. The completion of the envisioned East Campus bed tower would allow UCSD to operate all of its 505 licensed beds between both

sites, with approximately 235 to 260 beds in Hillcrest and 270 to 245 beds on the East Campus.

Location of specific inpatient care programs between the facilities would be identified through the preliminary plans process, with additional improvements at the Hillcrest hospital to begin after the reallocation of beds to East Campus. In addition, the Hillcrest hospital is being retrofitted to achieve compliance with the 2008 seismic improvement standards mandated by the State through Senate Bill 1953, which will allow UCSD to operate the hospital at least until 2030, when the facility will be out of compliance with more stringent standards. Concurrently, UCSD will continue implementing plans to expand and enhance outpatient services, including surgical and emergency services, at both sites.

The Hillcrest hospital was leased from the County in 1966 and purchased in 1981 by the University. Licensed for 386 beds, only 341 beds can be used due to facility constraints. The hospital's aging infrastructure and structural obsolescence require substantial ongoing investment to support clinical, teaching, and research activities, and maintain patient comfort and safety. The campus is actively making improvements to the Hillcrest facility to meet short-term seismic code requirements and to improve and expand patient care; projects currently in planning or construction at Hillcrest total approximately \$80 million. This work includes approximately \$25 million in programmatic improvements that will increase the emergency department by 50 percent; expand patient care services including the surgical recovery area, diagnostic imaging, regional high-risk obstetrics/labor and delivery, and the 40-bed Neonatal Intensive Care Unit; and seismic corrections (\$45 million) and infrastructure improvement projects (\$10 million) that will bring the Hillcrest facility in compliance with 2008 regulations as well as provide necessary upgrades to power, telecommunications, and HVAC systems.

Thornton Hospital, located on UCSD's East Campus (east of Interstate 5 across from the University's general campus in La Jolla and adjacent to UCSD's Science Research Park) opened in 1993 with 119 licensed and available beds. Because Thornton Hospital frequently operates at capacity in a growing market, additional clinical space is vitally needed. The East Campus complex also includes the Moores UCSD Cancer Center, the Shiley Eye Center, and the Perlman Ambulatory Care Center. Groundbreaking for the Sulpizio Family Cardiovascular Center (CVC) will take place in Fall 2007, with completion scheduled for 2010. The Sulpizio CVC project will include the addition of intensive care beds, expanded emergency services, and other patient care space which will provide some additional capacity.

Both UCSD hospitals have a steady census accommodating approximately 21,000 patient discharges annually. The hospitals and health care system are regional centers serving patients from all parts of San Diego County and beyond, with approximately nine percent of patients residing outside of the County. UCSD is

also a disproportionate share provider, caring for over 33 percent of the County's uninsured patients, but only eight percent of the San Diego health care market overall. Consequently, approximately \$37 million in unreimbursed costs are absorbed annually by this health system.

UCSD is also expanding outpatient services and upgrading diagnostic and treatment technologies on both of its medical campuses. More than 86 percent of UCSD's patients use only outpatient, urgent care, and emergency services, totaling approximately 540,000 outpatient visits a year. This very high proportion of outpatient usage aligns with national data, as improved prevention, diagnosis, and management of chronic disease is increasingly occurring in the outpatient setting through the use of improved therapeutics and sophisticated, minimally invasive procedures to treat injury and disease without hospitalization.

UCSD also has extensive partnerships with community providers, including the Veterans Affairs San Diego Health System, Children's Hospital and Health Center, and San Diego's robust community clinic system. Plans include broadening and strengthening this network of partnerships, including the application of expanded telemedicine capabilities to improve specialty consultation services provided in collaboration with community-based colleagues, especially for patients in underserved communities.

Adherence to these plans will enable UCSD to efficiently and cost-effectively expand inpatient and outpatient services to meet the evolving needs of San Diego's growing population in all regions of the County, in safe and modern facilities on both campuses. These improvements are necessary to support the University's academic, clinical, and public service missions. By making phased investments to improve and expand facilities on both sites, UCSD will maintain financial viability and comply with state seismic standards through 2030, at which time the Hillcrest hospital facility will need to be replaced to conform to SB 1953 standards.

UCSD is actively collaborating with the community to discuss and plan for the strengthening of health services to meet projected countywide needs in the future. Ongoing planning will include development of options for maintaining inpatient services to meet the needs of patients in Central and South San Diego County beyond 2030 in seismically compliant facilities, either through new construction of UCSD facilities or in partnership with other provider systems facing similar challenges. In addition, during the proposed planning, UCSD would begin a formal fundraising campaign to meet the philanthropic targets that are part of the financing model for this project.

In summary, UCSD Medical Center's plans respond to patient demands and to changing trends in medicine by expanding access to inpatient, outpatient, urgent, and emergency services on both medical campuses. UCSD is committed to collaborating with the community to identify and address countywide health

needs, while providing leadership in medical and pharmaceutical education and research.

***Project Description***

The proposed UCSD Medical Center East Campus Bed Tower project would accommodate approximately 125-150 inpatient beds from the Hillcrest hospital into a new tower that would extend the Thornton Hospital on the East Campus in La Jolla. Programs to be relocated as part of this project would be identified as a part of the preliminary plans process. The current timetable projects the beginning of construction in 2011, with completion in 2014.

The proposed preliminary plans work would include:

- planning for long range infrastructure support for the La Jolla site
- updating the physical plan for development of the La Jolla site
- determination of the size and departments to relocate from Hillcrest
- continuing evaluation of options for providing inpatient services to meet the needs of patients in Central and South San Diego County beyond 2030 and achieve compliance with SB 1953 standards
- preparation of schematic design and design development documentation for the La Jolla project
- preparation of detailed cost estimates and schedules

***CEQA Compliance***

The Final Environmental Impact Report for the 2004 UCSD Long Range Development Plan provided program-level environmental analysis, including the anticipated scope of this expansion of Thornton Hospital. Further project-specific environmental analysis would be prepared and reviewed in conjunction with standing Regents procedures for project design approval.

***Funding Plan***

The preliminary plans phase is estimated to cost \$12 million (or 2.7 percent to 3.4 percent of the estimated total project cost) and would be funded from hospital reserves. The total cost of the East Campus Bed Tower Project is projected to be between \$350 million to 450 million, to be funded with cash reserves, debt financing, and philanthropy preliminarily estimated as follows:

Hospital cash reserves	\$ 30,000,000 - \$ 50,000,000
Philanthropy	80,000,000 - 100,000,000
<u>New debt</u>	<u>240,000,000 - 300,000,000</u>
Total funding	\$350,000,000 - \$450,000,000

The range of estimated new debt would be within the Medical Center’s future debt capacity. During the planning process, as programming is completed for patient services that would be included in the proposed bed tower, detailed financial projections would be developed to confirm the financial feasibility of the project based on refined estimates of patient volumes, payer mix, operating costs, project costs, and funding sources. As updated projections are developed, the scope, size, and cost for this project would be adjusted to meet standard fiduciary requirements and align with the various funding sources anticipated to be available to the Medical Center.

***Future Regental Action***

The San Diego campus would return to the Committee on Grounds and Buildings in 2008 to present a status update on planning efforts, philanthropy activities, and the financial plan for this Bed Tower Project.

Regent Schreiner commented that he has monitored this project for a year and stated that the current version of the request is a testament to the way in which the campus and its agents have been willing and able to work with the community to fashion a compromise that serves the needs of all constituencies involved. Regent Kozberg asked that a letter be drafted on behalf of The Regents to thank Senator Ducheny for her work on this project.

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

**8. AMENDMENT OF THE BUDGET FOR CAPITAL IMPROVEMENTS AND THE CAPITAL IMPROVEMENT PROGRAM, STUDENT ON-CAMPUS HOUSING EXPANSION, SAN DIEGO CAMPUS**

The President recommended that the 2006-07 Budget for Capital Improvements and the Capital Improvement Program be amended to include the following projects:

San Diego: Muir/Revelle College Apartment Infill and Support Facilities – preliminary plans – \$4.5 million to be funded from the San Diego campus’ share of University of California Housing System Net Revenue Reserves.

San Diego: North Campus Housing Phase 2 – preliminary plans – \$3 million to be funded from the San Diego campus’ share of University of California Housing System Net Revenue Reserves.

San Diego: Health Sciences Neighborhood Graduate Housing – preliminary plans – \$1.5 million to be funded from the San

Diego campus' share of University of California Housing System Net Revenue Reserves.

Chancellor Fox, Vice Chancellor Relyea, and Associate Vice Chancellor Hellmann presented the request. This action would authorize the use of \$9 million for preliminary plans for three capital projects associated with the UCSD Student Housing System: (1) Muir/Revelle College Apartment Infill and Support Facilities; (2) North Campus Housing Phase 2; and (3) Health Sciences Neighborhood Graduate Housing. Preliminary plans would be funded from the San Diego campus' share of University of California Housing System (UCHS) Net Revenue Reserves.

These three projects are part of the UCSD student housing plan and would: (1) construct approximately 590,000 gsf to accommodate approximately 1,700-1,900 undergraduate and graduate bed spaces and related recreation and support facilities; (2) renovate approximately 20,000 asf in dining facilities for the Muir and Revelle Colleges; and (3) construct 25,000 asf of permanent Housing and Dining Administration and campus catering facilities.

Approval of this action item would allow the campus to engage executive architects and planning consultants to refine the scope of each project, develop cost estimates, a comprehensive financial plan, and complete schematic design. Preliminary planning for all projects would include an investigation of alternative design-delivery mechanisms, as well as studies of utilities distribution and capacity requirements, pedestrian paths, and vehicular routes.

It was recalled that the academic advantages of living on campus for students were emphasized in a report on undergraduate student experiences and satisfaction submitted to the San Diego Chancellor in September 2005, by a committee mainly comprising UCSD students. Every undergraduate at UCSD belongs to one of six colleges, which offer students both the environment of a small liberal arts college and the advantages of a large research university. Each college has its own programmatic theme, curricular requirements, extracurricular student life, and residential neighborhood. Affordable on-campus housing aids in the recruitment and retention of undergraduate and graduate students. On-campus housing expands opportunities to fully integrate students into the academic and social life of the campus.

UCSD is located in La Jolla, an area where housing costs are extremely high and rents are among the highest in the county. Monthly rates for on-campus housing at UCSD in 2006-07 for undergraduate and graduate students (excluding dining costs) are averaging \$800 and \$500 per student, respectively. These rates are well below the market rate of \$892 per student per month for a two-bedroom (two-student) apartment in the University City area surrounding UCSD.



Not only is rental housing near UCSD expensive, but also availability is quite limited. The apartment vacancy rate in the community surrounding UCSD is currently 3.8 percent (based on the *San Diego County Apartment Association Vacancy and Rent Survey*, December 2006). Further, approximately 800 apartments located in the surrounding University City area have recently been converted into condominiums, and approval is currently being sought for conversion into condominiums of 500 additional private apartments. These condominium conversions further reduce the number of available rental units close to the campus. As a result, students living off-campus are commuting farther from the campus to find affordable housing.

***Overview of Housing Demand at UCSD***

The housing goal of the San Diego campus, as stated in the 2004 LRDP, is to provide housing for 50 percent of eligible students in campus-owned facilities. In recent years, enrollment at the San Diego campus has surged and the current demand for housing exceeds the available on-campus housing supply.

UCSD’s housing supply is currently 4,420 beds short of meeting the LRDP goal of 50 percent housed. By 2011, even with the completion of the previously approved East Campus Graduate Housing (800 graduate beds) and North Campus Phase 1 (1,000 undergraduate beds), UCSD would still have a deficit of 4,025 beds to meet the LRDP goal and would house only 36 percent of students on campus. With the three new proposed projects, the percentage of students housed on campus would increase to 43 percent, reducing the shortfall of beds to approximately 2,200.

UCSD is not able to provide the same undergraduate housing guarantees as other campuses. Currently, undergraduate housing is limited to eligible freshmen and sophomores with a two-year guarantee and Regents Scholars with a four-year guarantee. Ninety-two percent of all incoming freshmen choose campus housing and 80 percent of those eligible for the second year of housing return to on-campus housing. In summer 2006, the undergraduate wait list had 587 eligible students. This number does not include the 750 students who were accommodated in “triples,” by converting a 2-bed unit to a 3-bed unit.

UCSD is not able to offer housing to any junior or senior student who is not a Regents Scholar. Because there is no residual capacity for upper division students, there is no waiting list at present for this category of students.

UCSD is also not able to offer on-campus housing to transfer students. When the North Campus Housing Phase 1 project opens (1,000 beds) in fall 2009, transfer students will be afforded the opportunity to live on-campus. With UCSD admitting 1,800 transfer students per year, additional beds are needed to offer these students the same opportunity to live on campus for two years that is available to entering freshmen.

Demand from single graduate students, couples, and couples with children continues to be high, with a waiting time of up to three years for specific areas. Because of this shortage of graduate housing, no on-campus housing is offered to students in master degree programs. In fall 2006, over 1,300 graduate students were wait listed, with the expectation that the wait time will be approximately three years.

In addition, with the exception of Revelle College, UCSD's oldest undergraduate college, housing at the other colleges comprises both residence halls and apartment units. The proposed new housing program would rectify that condition by providing apartment beds at Revelle College. This project would add more apartment beds to Muir College, UCSD's second oldest college, and thereby create equity in the supply and diversity of housing at each college.

***Project Description***

The proposed Student Housing projects would construct new facilities for both undergraduates and graduates in the three different areas of the campus. The proposed scope and approximate total cost of each project is summarized below. The goal is to occupy these projects by fall 2011.

***Muir/Revelle College Apartment Infill and Support Facilities***

Undergraduate Apartment Beds. New construction would include apartment housing of approximately 380,000 asf (480,000 gsf) and 1,350-1,500 beds for undergraduate students. This housing would entail in-fill development in the Muir and Revelle Colleges neighborhoods. Total project cost for this component of the work is estimated to range from \$91 million to \$108 million.

Renovation of Dining Facilities. Renovation would include the modernization of approximately 20,000 asf (30,000 gsf) of dining facilities that serve the contiguous Muir and Revelle Colleges. This work would be carefully planned and phased to allow for the continued operation of dining service for the two Colleges. Total project cost for this component of the work is estimated to range from \$24 million to \$28 million. Due to operational and site implications, it is envisioned that these renovations would be integrated with the Muir/Revelle apartment construction.

Permanent Administration and Catering Facilities. New construction would include approximately 25,000 asf (35,000 gsf) of administrative and catering kitchen space for UCSD's Housing and Dining Administration, a unit that was recently relocated to off-campus leased space due to displacement of temporary modular space to enable construction of a new State-funded Music building. This facility would be sited immediately adjacent to the Revelle dining facility and would share many services and site improvements, such as loading dock services. Total project cost for this component of the work is estimated to range

from \$20 million to \$24 million. Due to operational and site implications, it is envisioned that this construction would be integrated with the Muir/Revelle apartment construction and the Revelle Dining Facilities renovation.

***North Campus Housing Phase 2:***

Undergraduate Apartment Beds. Planning for the North Campus Housing Phase 1 project (1,000 new apartment beds approved in September 2006) anticipated a second expansion phase at this location. New construction of an additional 660-730 beds and an estimated 190,000 asf (240,000 gsf) would be located on an existing parking lot. These beds would be provided in apartment units comprising two, three, or four bedrooms in both high-rise and mid-rise buildings. Each apartment would have a living-dining-kitchen area, shared bathroom(s), and a storage area. Associated non-residential space would include common spaces, such as vending and mail areas, serving both the Phase 1 and Phase 2 developments. Total project cost for this component of the work is estimated to range from \$95 million to \$110 million.

***Health Sciences Neighborhood Graduate Housing***

Graduate Apartment Beds. New construction would include housing facilities of approximately 110,000 asf (140,000 gsf) and 350-400 beds for unmarried graduate students in the area south of the Health Sciences neighborhood. These beds would be provided in apartment units comprising two, three, or four bedrooms in both high-rise and mid-rise buildings. Each apartment would house unmarried students and provide a living-dining-kitchen area, shared bathroom(s), and a storage area. The proposed non-residential space would include common spaces, such as vending and mail areas. Total project cost for this component of the work is estimated to range from \$45 million to \$55 million.

***Policy on Sustainable Practices***

This project will comply with the *University of California Policy on Sustainable Practices*. As required by this policy, the project will adopt the principles of energy efficiency and sustainability to the fullest extent possible, consistent with budgetary constraints and regulatory and programmatic requirements. Specific information regarding energy efficiency and sustainability will be provided when the project is presented for design approval.

***CEQA Classification***

In accordance with the University of California guidelines for the implementation of the California Environmental Quality Act of 1970, appropriate environmental documents would be prepared for consideration by The Regents in conjunction with the project design review and approval at a future meeting.

***Funding Plan***

The total cost to develop preliminary plans for the new housing and support spaces and renovations to the dining facilities is \$9 million to be funded from UCHS San Diego Campus Reserves.

The preliminary cumulative cost estimated for these projects ranges between \$275 million and \$325 million. These projects would be funded by a combination of UCHS-San Diego Campus reserves and external financing. Repayment of the portion of the debt related to housing would be from excess net revenues of the UCHS, generated by housing fees on the San Diego campus. These fees would be established at a level sufficient to meet the requirements of the UCHS Indenture. The financial model underlying this proposal, which indicates that the increased debt associated with these projects could be accommodated within an affordable residential rate structure, will be validated during the preliminary planning phase.

***Future Regental Action***

At the conclusion of the proposed preliminary design phase, the campus would return to The Regents to request amendments of the Budget for Capital Improvements and the Capital Improvement Program to advance these projects for approval of project financing, and design approval.

Regent-designate Brewer inquired as to why the project was not larger, given that costs will only escalate in the future and that the campus is already far behind housing goals. Mr. Relyea replied that the campus has limited capacity to handle building projects, but expanding the project will be considered as it moves forward. Mr. Hellmann added that the campus is planning to implement more student housing projects in a methodology that will include the design-build model and third-party developer model.

Faculty Representative Brown was concerned about the separation of transfer students and upper-division students from lower-division students, particularly in regards to growth and development issues for lower-division students and integration issues for transfer students. Mr. Relyea explained that the design of the transfer student housing is intended to create a student life relevant to these students, and attempts will be made to integrate them into wider campus life. Chancellor Fox explained that approximately 1,000 transfer students are admitted each year to UCSD. Transfer students primarily come from community colleges, have maintained a high grade point average, and graduate at the same rate as freshmen. Special seminars are also provided for transfer students to acquaint them with the campus.

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

9. **APPROVAL OF ADDENDUM TO ENVIRONMENTAL IMPACT REPORT AND APPROVAL OF DESIGN, BIOMEDICAL AND HEALTH SCIENCES BUILDING, BERKELEY CAMPUS**

The President recommended that, upon review and consideration of the environmental consequences of the proposed project as described in the Addendum to the 2020 Long Range Development Plan Environmental Impact Report (LRDP EIR), the Committee on Grounds and Buildings:

- (1) Approve the Addendum to the 2020 LRDP EIR.
- (2) Adopt the Findings.
- (3) Approve the design of the Biomedical and Health Sciences Building, Berkeley campus.

[The Addendum to the 2020 LRDP EIR and Findings were mailed to Regents in advance of the meeting, and copies are on file in the Office of the Secretary and Chief of Staff.]

Assistant Vice President Bocchicchio recalled that at the November 2006 meeting, The Regents approved funding for preparation of preliminary plans and at the March 2007, The Regents approved the budget for Biomedical and Health Sciences Building project at a total project cost of \$256,653,000 to support general design of the entire project and completion of design and construction for the first step of the project. At that time the campus indicated that it would deliver the project in a series of discrete steps using various fund sources as they become available.

The proposed project will construct a 110,000 asf (200,000 gsf) building designed to facilitate interactive, multidisciplinary research into the molecular mechanisms of human disease. The building will be completed in a series of four discrete steps and will be sized to accommodate research laboratories for up to 35 faculty; meeting, conference and instructional facilities; an imaging facility; and an expansion of the existing campus animal facility. Step 1 will consist of construction of the building shell and core infrastructure systems.

In March 2007, the appointment of Zimmer Gunsul Frasca of Portland, Oregon as executive architect for this project was approved within the Office of the President.

***Project Site***

The project site is in conformance with the UC Berkeley 2020 Long Range Development Plan, adopted by The Regents in January 2005. The demolition of

Warren Hall, which will occur as part of the project, was analyzed in the Seismic Replacement Building 1 EIR certified by The Regents in September 2000.

The project site is located at the formal west entrance to the campus, just north of the terminus of University Avenue, the city's primary east-west arterial and a primary public view into campus. The site slopes up from elevation 208-feet at its southwest corner at Oxford Street and the Crescent to 238-feet at its northeast corner.

The project will face the Biomedical Courtyard, the hub of social life for this precinct of the campus. To the east and to the south, the project will lie behind a foreground of trees framing the Crescent lawn (the westernmost element of the beaux-arts Central Glade and the major west entry to campus). The project design respects the setbacks and height profiles prescribed by the 2020 LRDP at its interface with the Crescent, the Courtyard, and Oxford Street.

### ***Project Design***

The 200,000 gsf (110,000 asf) project will be a braced frame steel structure set into the slope of the site: at its west end, facing downtown Berkeley, the project will have five levels above and one level below grade, while at the east end, facing the campus, the project will have four levels above and two levels below grade. The project will have its primary student entrance on the east side of the building at the Courtyard level, as well as a public and secondary student entrance on the south side, one story below, at the level of the Crescent.

The basement level will be at the same level as the adjacent existing animal facility, and will house an expansion of the animal facility as well as a new magnetic imaging facility. The first (Crescent) level will house instructional labs and mechanical space, while levels 2 through 5 will house research labs, including faculty offices and interaction spaces. The second (Courtyard) level will also include an auditorium to replace the existing auditorium in Warren Hall.

The project will have a clearly articulated base of board-formed concrete, a material widely used in the campus' neoclassical buildings, including neighboring Mulford Hall. The primary façade material above the base will be terra cotta blocks, with a matte surface and integral color: the individual blocks will be sized in dimensions (roughly 2 feet by 5 feet) similar to those on the campus' neoclassical granite buildings. The façades will be capped with a formed cornice of stainless steel, which is the same material selectively used as an accent material elsewhere on the façades as well as on the screen walls enclosing rooftop equipment.

The project will also employ glass curtain walls in combination with the terra cotta on the north, east, and south façades. The glass walls on the north and east are designed to maximize natural daylight into the research labs. The glass walls

on the south façade, used in combination with integral architectural sunshades, will correspond to the interactive spaces on the lab floors and maximize views through the trees to the Crescent.

This project will comply with the *University of California Policy on Sustainable Practices*. As required by this policy, the project will implement the principles of energy efficiency and sustainability to the fullest extent possible, consistent with budgetary constraints and regulatory and programmatic requirements. The project is expected to achieve LEED “Silver” equivalency through the following design strategies:

- Both the architecture and the infrastructure of the building have been designed to optimize performance with respect to energy and water consumption and wastewater production.
- Architectural features such as green roofs, windows, and sunshades are designed to maximize natural daylight while minimizing heat gain.
- The placement of the research labs on the north and east exposure reduces the solar load on mechanical systems and allows full-height windows to maximize natural daylight in the labs.
- The design of the building infrastructure has been optimized through right-sizing based on the LABS 21 data base and metering of actual use in existing comparable research labs.

The campus has conducted an independent cost review of the projects, as well as peer design and seismic review. The Office of Facilities Services will manage this Project. Demolition of Warren Hall is scheduled to begin in winter 2007-08.

The Project is proposed to be constructed in four steps:

1. Shell and core utility infrastructure
2. Scientific infrastructure: 50,000 asf (imaging, vivaria, biosafety labs, three instructional labs)
3. Stem cell biology and gene regulation: 37,000 asf (research labs and offices)
4. Instruction and faculty research: 23,000 asf (research labs and offices, two lecture halls)

***Environmental Impact Summary***

Pursuant to State law and University procedures for implementation of the California Environmental Quality Act (CEQA), the campus prepared an Initial Study to evaluate the Project in relation to the original analysis of environmental impacts of implementation of the 2020 LRDP EIR in the 2020 LRDP EIR. The Initial Study finds the Project to be within the scope of and consistent with the 2020 LRDP EIR, certified by The Regents in January 2005. The Initial Study also concludes that there have not been any changes in the Project or

circumstances that will cause any new significant environmental effects not considered in the 2020 LRDP EIR, or increase the severity of any impact previously found significant in the 2020 LRDP EIR. No new information has been identified that alters any of the conclusions of the 2020 LRDP EIR regarding any significant effects of the Project or feasible mitigation. Thus an Addendum to the 2020 LRDP EIR has been prepared for the Biomedical and Health Sciences Building project.

***Seismic Replacement Building 1 (SRB1) EIR.***

The demolition of Warren Hall, which will occur as part of the Project, was previously analyzed in the SRB1 1 EIR (SCH #99122065) certified in September 2000. The SRB1 EIR prescribed some mitigation measures specific to the demolition of Warren Hall that still apply, except where these have since been superseded by more restrictive practices and mitigation measures prescribed in the 2020 LRDP EIR, in which instances the latter will take precedence.

***2020 Long Range Development Plan (LRDP) Environmental Impact Report (EIR).***

The 2020 LRDP prescribes a comprehensive set of principles, policies, and guidelines to inform the location, scale and design of individual capital projects. These include both Location Guidelines, which establish priorities for the location of campus functions, and the Campus Park Design Guidelines, which establish design standards and guidelines for projects, like the Biomedical and Health Sciences Building, which are located on the historic Campus Park.

The Project conforms to the 2020 LRDP Location Guidelines, which prioritizes locations on the Campus Park for uses that include: instructional spaces; faculty office, research, and conference spaces; student workspaces; and research activities with substantial student engagement and participation. The Project also conforms to the Campus Park Design Guidelines, as augmented by Project-specific guidelines prepared as required by the 2020 LRDP.

The 2020 LRDP Environmental Impact Report (SCH #2003082131), certified by The Regents in January 2005, provides a comprehensive analysis of the 2020 LRDP, and its potential impacts on the environment, in accordance with Section 15168 of the CEQA Guidelines. The 2020 LRDP EIR prescribes Continuing Best Practices and Mitigation Measures for all projects implemented under the 2020 LRDP, including this Project.

Because the Project site is located at the interface of the campus and downtown Berkeley, staff representatives from the City of Berkeley were present and actively participated in each of four project reviews by the UC Berkeley Design Review Committee. Campus staff also made informational presentations to the City of Berkeley Design Review Committee and the City of Berkeley Planning



Commission in July 2006, with an update to the Design Review Committee in February 2007. An Addendum is not circulated for public review (CEQA Guidelines Section 15164); however the campus published the Addendum on February 13, 2007, and distributed informational copies to agencies, including members of the Berkeley City Council and student organizations.

***Findings***

The Findings describe the potential impacts, pertinent SRB 1 EIR and 2020 LRDP EIR Mitigation Measures and Continuing Best Practices, and conclusions regarding approval of the Addendum and the Project in conformance with CEQA.

Vice Chancellor Denton stated that the campus was rightfully challenged by the Committee to show how the proposed building fits the Berkeley campus palate. The effort put forth by the Berkeley campus consisted of a broader effort to consider how this and future buildings would contribute to the image and identity of the campus as a whole. Slides were presented to show the campus design guidelines and palate, and to illustrate the building design.

Principal Planner O’Banion explained that “campus park” is the term used in UC Berkeley’s LRDP to identify the traditional central campus. Two architectural traditions are identified within the campus park: the neoclassic and the picturesque style. Although buildings within the neoclassic style share a set of design elements, each building is distinctive in its own right as a work of architecture. Once the cost of granite rose beyond practical use, concrete was used as an alternative. At this time, the architecture of buildings became simpler, evolving into a style with less ornamentation, but with the same form, composition, and materials as their elaborate ancestors. In the mid 1950’s the adherence to a neoclassical style declined, as did the idea that UC Berkeley should have a coherent architectural identity. Mr. O’Banion suggested, however, that a common palate can preserve a coherent visual identity for the campus even when architectural styles vary. Additionally, although the neoclassic legacy is an appropriate starting place for identifying a campus palate, in order to be successful the campus palate must lead the campus forward into the 21st century. New buildings must respect and complement legacy buildings without imitating them.

Mr. O’Banion then presented a campus palate for UC Berkeley. The first element involves the form and composition of buildings. New buildings are to use primarily orthogonal forms and, if higher than three stories, and respect the tripartite composition of a base, middle, and top, though this can be interpreted in a modern way. Flat roofs should be an option for buildings outside the classical core, although pitched roofs may be encouraged when the scale and building type is appropriate. Glass curtain walls are appropriate for special building features, but primary surface treatments are to be solid walls with punched windows. Solid walls are to be clad in materials with the color and texture in the same range as

the campus' legacy buildings. New materials would not be precluded if they provide the same look as the traditional materials, since new materials can offer much better performance and durability at a lower cost. In terms of color, all large new buildings would have primary skin materials in the range from cool light grey to warm light ecru. Smaller buildings, however, can provide a counterpoint to larger buildings in their use of other colors, as long as the colors are compatible. There is also a long tradition of the use of metals at Berkeley, copper in particular. In the picturesque areas, large new buildings should respect the arts and crafts tradition seen as these areas.

Associate Vice Chancellor Gayle presented the proposed building, with special reference to how it conforms to the campus palate and modifications made since the March meeting. The north and west façades respond to both the internal program, which is mainly laboratories, and to the sun. The west façades are solid walls with punched windows to minimize heat gain, but the north façade, where heat gain is not a problem, is full height curtain glass wall to maximize daylight in the research laboratories. A modification made to these façades has been to reduce the visual presence of the mechanical screen by raising the cornice line of the terra cotta. The east-facing laboratories have full-height glass walls to maximize daylight, while the offices and computational laboratories have punched windows. Regarding the south façade, changes were made to the design by altering the exterior form of the auditorium in order to keep it more consistent with the primary orthogonal forms of other campus buildings. The large metal panels on the main south façade were also replaced with the same skin of terra cotta and punched windows used on other façades, helping to tie the building together and improving its relationship to neighboring buildings. The concrete base used on neighboring buildings was also incorporated into the south façade in order to create a modern version of the base, middle, top tripartite style used in legacy buildings. Punched windows have the same three-dimensional character and vertical proportion of legacy buildings. In relation to palate, the building is clad with terra cotta blocks, the individual blocks of which are of similar dimension and color to the historic granite buildings.

Regent Hopkinson stated that the palate and recommendations presented for the Berkeley campus were excellent. She asked for clarification regarding roof elements on the proposed building in relation to building guidelines, and regarding the air conditioning enclosure. Mr. O'Banion explained that roof treatments have been used at many points on the roof of the building, but do not cover every angle. Mr. Denton pointed out that, because this is a building heavily occupied by laboratory spaces, the required mechanical machinery is substantial and not easily masked. Regent Hopkinson suggested that the campus review the air conditioning elements, especially on the west façade. Regent Hopkinson noted that the new design is a major improvement, but does not conform exactly to campus guidelines. She expressed her hope that new buildings would conform better to these guidelines.

Regent Kozberg inquired as to how off-campus University buildings will be treated in relation to University architectural values. Mr. O'Banion suggested that University values and a good urban response to downtown Berkeley are not incompatible; the campus will seek to accomplish both objectives. In a settlement with the City of Berkeley, the campus has agreed to participate with the City in creating a new downtown plan, with a set of principles on how the campus and City can be integrated in an appropriate way.

Regent Kozberg asked how the Regents can be part of the dialogue and offer appropriate input before design changes become expensive. Mr. Bocchicchio suggested that at least one discussion session be held with the Committee as projects develop in order to preview progress at an early stage.

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

**10. ADOPTION OF MITIGATED NEGATIVE DECLARATION AND APPROVAL OF DESIGN, HUMANITIES BUILDING, IRVINE CAMPUS**

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

- (1) Adopt the Initial Study/Mitigated Negative Declaration.
- (2) Adopt the Findings and Mitigation Monitoring Program.
- (3) Approve the Design, Humanities Building, Irvine campus.

[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 and Chief of Staff.]

Assistant Vice President Bocchicchio pointed out that the University has a tremendous amount of flexibility in the delivery of projects. The various means and methodologies of project delivery include design-bid-build, design-build, design-build bridging, cost plus, multiple prime, and privatized development.

It was recalled that in November 2005, The Regents approved the 2006-07 Budget for Capital Improvements, which included the Humanities Building project at a sum of \$26,511,000, at CCCI 4632. In November 2006, The Regents approved a scope increase to add up to 10,200 asf (total (33,335 asf), a budget augmentation of \$10 million, and approval of external financing in the amount of \$10 million. The construction funds were increased by \$9,585,000 and the equipment funds were increased by \$415,000 resulting in a revised total project

budget of \$37,790,000 at CCC 4890. In March 2007, the campus presented to The Regents a discussion item that reviewed the design parameters this project will utilize.

Vice Chancellor Brase and Associate Vice Chancellor Gladson presented the request, and showed slides to illustrate the building. The project is using the Design-Build Competition delivery method for design and construction of the Humanities Building. The Design-Build Teams (bidders) have been provided a detailed Request for Proposal, which includes the Project Program Guide, the Detailed Project Program, campus design standards, the mitigation measures required by the Mitigated Negative Declaration, and the project design parameters. The submitted proposals were reviewed and scored based on program compliance; functional/economical/aesthetically distinctive design; understanding of the scheduling and coordination of the design process and its integration with the construction activities; mobilization/demobilization/ closeout plan, and experience of the construction and design team. The design is part of the final best value proposal.

Between 2004-05 and 2010-11, the Irvine campus is projected to add over 6,400 additional student FTE and more than 340 new faculty. Current and projected growth at UCI is resulting in high-priority needs throughout the campus and, even with completion of the approved projects in UCI's capital program, the campus will be facing significant space deficits in coming years. One recent strategy for addressing current facility needs has been the transfer of a number of administrative units off campus in order to provide expansion space for academic growth within the campus core. Currently UCI leases more than 70,000 asf of administrative space at a significant annual cost. Providing adequate and appropriate facilities in the campus core to cope with the growing demand for all types of space is a high priority.

***Project Site***

The proposed project location is a one acre site in the northwest corner of the Humanities Quadrangle at a major pedestrian node where the Ring Mall and the Humanities radial mall intersect. Existing facilities on the project site include a complex of modular buildings, a small outdoor seating area, and a group of Automated Teller Machines, all of which would be displaced by the proposed project. The proposed Humanities Building would be located across the Ring Mall from Humanities Hall and across the radial mall from the Humanities Instructional Building. The proposed project is consistent with the campus' Long Range Development Plan.

***Project Design***

The Humanities Building project would construct 44,795 asf (74,919 gsf) of office and research space. Construction of this facility would provide

instructional laboratories, research space, and faculty and administrative offices for the School of Humanities, as well as two classrooms, four testing rooms for Disability Services, and a 110-seat campus auditorium to accommodate demand for large scholarly events which are currently held off campus in leased facilities. The auditorium may also be used to accommodate instructional overflow.

The key planning and design parameters require definition of the Humanities Quadrangle and the development of a recognizable “address” and public entry to the School of Humanities. A defined building edge along the Ring Mall and a Humanities courtyard with clear accessible connections to the Quadrangle are to be included. The first floor of the building would accommodate major public spaces and establish a pedestrian connection while retaining the existing service area and roadway from West Peltason Drive. The project also includes a new service and fire access from Mesa Road and an area at the southwest end of the site large enough for a future free standing lecture hall.

The project will comply with the *University of California Policy on Sustainable Practices*. 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. The Request for Proposal (RFP) requires the project design and LEED points to comply with requirements for LEED “Certified” and the Design Build Team to bear all cost for LEED design, and LEED certification. Additionally, a bid alternate is requested for the additional cost to provide the design and construction required to obtain a LEED “Silver” certification from the U.S. Green Building Council for this project.

The construction component of the contract for this project would be awarded in July 2007 with completion in the summer of 2009.

### ***Environmental Impact Summary***

Pursuant to State law and University procedures for implementation of the California Environmental Quality Act (CEQA), the Final Initial Study/Mitigated Negative Declaration was prepared for the proposed Humanities Building to determine any potential environmental effects associated with the project.

The Initial Study/Mitigated Negative Declaration analyzed all potential environmental impacts associated with the Humanities Building project and identified potentially significant impacts in the following issue areas: Air Quality (potential construction related impacts) and Cultural Resources (potential impacts to paleontological resources). Mitigation measures identified in the Initial Study/Mitigated Negative Declaration would reduce these potential impacts to below a level of significance.

A draft Initial Study/Mitigated Negative Declaration was prepared and circulated

to the public, responsible and trustee agencies, and the State Clearinghouse for a 30-day review period from January 9, 2007 to February 11, 2007. Comment letters were received from the California Department of Transportation, Orange County Fire Authority, Southern California Association of Governments, the Transportation Corridor Agencies, and the State of California, Governor’s Office of Planning and Research, State Clearinghouse, and Planning Unit. None of the comment letters raised any new potentially significant environmental impacts that had not already been adequately addressed in the Initial Study/Mitigated Negative Declaration, and no changes were made to the Initial Study/Mitigated Negative Declaration as a result of public comments.

Based on the impact assessment in the Final Initial Study/Mitigated Negative Declaration, it has been determined that the proposed project, as mitigated, will not result in any significant direct, indirect, or cumulative environmental impacts. In accordance with CEQA’s mitigation monitoring requirements, the mitigation measures identified in the Initial Study/Mitigated Negative Declaration will be monitored in accordance with the Humanities Building Mitigation Monitoring Program.

***Findings***

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

Regent Johnson thanked the campus for the comprehensive way in which the project has been approached, particularly in terms of cost savings.

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

**11. PRELIMINARY REVIEW OF DESIGN, INSTITUTE OF REGENERATION MEDICINE, SAN FRANCISCO CAMPUS**

The San Francisco Campus provided a preliminary design review of the Institute for Regeneration Medicine Building. It was recalled that approval to prepare partial preliminary plans, at a cost of \$1.5 million, to be funded from gift funds, was given in August 2006, and additional approval of funding for preliminary plans, at a cost of \$4.8 million, was given in January 2007. With approval of funding to complete the preliminary plan phase, the campus is now able to continue design work through January 2008 to complete the bridging documents that would form the basis for bidding the proposed design-build project. The campus is proceeding with the preliminary planning phase for this project.

The project would provide a 45,000 asf new laboratory facility for stem cell research, located on the Parnassus campus. The building would accommodate 15

to 20 principal investigators, providing space to decompress and consolidate the laboratories of existing faculty and space for new faculty. The project also includes site clearance and extensive site improvements, utility relocations, and expansion of the campus utility plant.

The total project cost is estimated to be between \$100 million and \$116 million. Approximately 25 percent to 35 percent of the total project cost would be associated with extensive site development, utility relocations, and central plant expansion work. This would result in a building construction cost of \$740 to \$870 per gsf and a total project cost of \$1,250 to \$1,440 per gsf.

Vice Chancellor Barclay explained that the Parnassus campus was chosen due to its proximity to the current stem cell research programs, clinical programs, and hospitals. Such proximity will allow use of the existing vivarium, resulting in significant cost avoidance. The design can be built more quickly than alternatives, resulting in lower cost escalation costs and improving the competitive position to receive a capital Proposition 71 grant, to be awarded in the next 10 months.

Associate Vice Chancellor Wiensenthal stated that the project faces large challenges. The aim of the campus is to transform the Parnassus campus into a true campus in the face of over 100 years of additions and alternations that have resulted in a very dense and incoherent campus. The campus is seeking guidance from the Committee on the direction of the design, with the intention of bringing the project back to the Committee in the fall for design and finance approval.

The Institute of Regeneration Medicine will be situated on the Parnassus campus in order to grow the existing stem cell research program, connect to the medical center and facilitate translational research, and to avoid the cost of a new vivarium. Mr. Wiensenthal showed slides to illustrate the preliminary design. The project will utilize a modified design-build approach that awards the contract based on the best value for a stipulated sum, allowing the campus to benefit from contractor input during design and expediting construction. Building information modeling will also be used, allowing the campus to “virtually” build the project before it is built in the field. This technology allows a significant reduction in the number of change orders and contractor questions and contributes to increased accuracy and speed.

In response to a question from Regent Coombs regarding seismic considerations, Mr. Wiensenthal explained that between the building and the piers on which it sits are base isolation systems. This design element uses the most advanced seismic technology at the same time it lowers costs, since the piers occupy a small fraction of the overall building footage.

Chairman Blum inquired as to why this building should be situated at the Parnassus campus rather than at Mission Bay, particularly given that Dr. Prusiner and Dr. Hauser’s Neurodegenerative Center will be located at Mission Bay because eventually the hospital will be located there as well. Chairman Blum also

inquired as to the estimated cost per square foot for the neurodegenerative building in comparison with the proposed building. Mr. Barclay responded that, when the decision was made to build the site at Parnassus, these points were studied and debated, resulting in strong consensus by the faculty, dean, and others that there were compelling reasons to build at Parnassus due to the linkages to the current stem cell programs, the hospital, and other clinical programs. Additionally, in the amendment to the LRDP two years ago, it was decided that UCSF would occupy two major sites in perpetuity and that programs will exist at both sites, such as the stem cell program. Mr. Barclay stated that he will obtain a more detailed answer for Chairman Blum regarding the programmatic reasoning behind situating the building at Parnassus from the clinical and academic leadership. Regarding the cost per square foot, a stand alone building at Mission Bay would be less expensive than at Parnassus, but if this building were sited at Mission Bay a vivarium would also have to be constructed, which is costly.

The meeting adjourned at 2:05 p.m.

Attest:

Secretary and Chief of Staff