

The Regents of the University of California

**COMMITTEE ON GROUNDS AND BUILDINGS**

November 18-19, 2008

The Regents of the University of California met on the above date at UCSF–Mission Bay Community Center, San Francisco.

Members present: Regents Hopkinson, Johnson, Ruiz, Schilling, Shewmake, and Yudof; Advisory members Bernal and Powell

In attendance: Regents Cole and Scorza, Regents-designate Nunn Gorman and Stovitz, Secretary and Chief of Staff Griffiths, Associate Secretary Shaw, General Counsel Robinson, Executive Vice President Lapp, Vice President Lenz, Chancellors Block, Blumenthal, Fox, and Kang, and Recording Secretary Lopes

The meeting convened at 3:10 p.m. with Committee Chair Schilling presiding.

1. **PUBLIC COMMENT**

Committee Chair Schilling explained that the public comment period permitted members of the public an opportunity to address University-related matters. The following person addressed the Committee.

Mr. John Shively, a licensed professional engineer and Professor Emeritus of UC Berkeley College of Engineering, spoke in opposition to the reapproval of external financing for the Computational Research and Theory Facility at the Lawrence Berkeley National Laboratory. He expressed his concerns regarding the facility's proposed location on a steep hillside with inherent firefighting, earthquake, and traffic congestion problems. He opined that alternate locations were not adequately considered, and requested that the Lawrence Berkeley National Laboratory site be rejected for the proposed facility.

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

Upon motion duly made and seconded, the minutes of the meeting of September 16, 2008 were approved.

3. **CONSENT AGENDA**

A. *Amendment of the Budget for Capital Improvements and the Capital Improvement Program, Pauley Pavilion Renovation and Expansion, Los Angeles Campus*

The President recommended that the 2008-09 Budget for Capital Improvements and the Capital Improvement Program be amended to include preliminary plans funding for the following project:

Los Angeles: Pauley Pavilion Renovation and Expansion – preliminary plans – \$6,500,000, to be funded from gift funds.

B. *Amendment of the Budget for Capital Improvements and the Capital Improvement Program, Bioengineering Building, Santa Barbara Campus*

The President recommended that the 2008-09 Budget for Capital Improvements and the Capital Improvement Program be amended to include preliminary plans funding for the following project:

Santa Barbara: Bioengineering Building – preliminary plans – \$1,600,000, to be funded from campus funds.

C. *Amendment of the Budget for Capital Improvements and the Capital Improvement Program and Approval of External Financing, Revelle College Apartments, Muir College Apartments, and Muir Stewart Commons Dining Renovation, San Diego Campus*

The President recommended that:

- (1) The 2008-09 Budget for Capital Improvements and the Capital Improvement Program be amended as follows:

From: San Diego: Muir/Revelle College Apartment Infill and Support Facilities – preliminary plans – \$3,750,000, to be funded from the San Diego campus share of University of California Housing System Net Revenue Reserves.

To: San Diego: Revelle College Apartments – preliminary plans, working drawings, construction, and equipment – \$69,461,000, to be funded from external financing (\$67,025,000) and the San Diego campus share of University of California Housing System Net Revenue Reserves (\$2,436,000).

San Diego: Muir College Apartments – preliminary plans, working drawings, construction, and equipment – \$42,503,000, to be

funded from external financing (\$40,576,000) and the San Diego campus share of University of California Housing System Net Revenue Reserves (\$1,927,000).

San Diego: Muir Stewart Commons Dining Facility – preliminary plans, working drawings, construction, and equipment – \$10,872,000, to be funded from external financing (\$10,072,000) and the San Diego campus share of University of California Housing System Net Revenue Reserves (\$800,000).

- (2) The President be authorized to obtain external financing not to exceed \$117,673,000 to finance the Revelle College Apartments, Muir College Apartments, and the Muir Stewart Commons Dining Facility projects. The President shall require that:
  - a. Interest only, based on the amount drawn down, shall be paid on the outstanding balance during the construction period.
  - b. As long as the debt is outstanding, University of California Housing System fees for the San Diego campus shall be maintained in amounts sufficient to pay the debt service and to meet the related requirements of the authorized financing.
  - c. The general credit of the Regents shall not be pledged.
- (3) The Officers of the Regents be authorized to execute all documents necessary in connection with the above.

***D. Amendment of the Budget for Capital Improvements and the Capital Improvement Program and Amendment of External Financing, UCSD Medical Center Cardiovascular Center and Thornton Hospital Expansion, San Diego Campus***

The President recommended that:

- (1) The 2008-09 Budget for Capital Improvements and the Capital Improvement Program be amended as follows:

From: San Diego: UCSD Medical Center Cardiovascular Center and Thornton Hospital Expansion – preliminary plans, working drawings, construction, and equipment – \$171,476,000, to be funded from external financing (\$90,000,000), gifts (\$38,000,000), hospital reserves (\$33,476,000), and capitalized leases (\$10,000,000).

To: San Diego: UCSD Medical Center Cardiovascular Center and Thornton Hospital Expansion – preliminary plans, working drawings, construction, and equipment – \$227,296,000, to be funded from external financing (\$129,900,000), gifts (\$38,000,000), hospital reserves (\$21,698,000), and capitalized leases (\$37,698,000).

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

- (2) The President be authorized to obtain external financing not to exceed ~~\$90 million~~ \$129,900,000 to finance the UCSD Medical Center Cardiovascular Center and Thornton Hospital Expansion project, subject to the following conditions:
  - a. Interest only, based on the amount drawn down, shall be paid on the outstanding balance during the construction period.
  - b. Financing documentation shall require that as long as the debt is outstanding, the gross revenues of UCSD Medical Center shall be maintained in amounts sufficient to pay the debt service and meet the related requirements of the authorized financing.
  - c. The general credit of the Regents shall not be pledged.
- (3) The Officers of the Regents be authorized to execute all documents necessary in connection with the above.

**E. *Amendment of the Budget for Capital Improvements and the Capital Improvement Program, University House Rehabilitation, San Diego Campus***

The President recommended that the 2008-09 Budget for Capital Improvements and the Capital Improvement Program be amended to include the following project:

San Diego: University House Rehabilitation – preliminary plans – \$413,000, to be funded from campus funds.

**F. *Amendment of the Budget for Capital Improvements and the Capital Improvement Program and Approval of External Financing, Porter College Phase 2 – House A Seismic, Capital Renewal and Expansion, Santa Cruz Campus***

The President recommended that:

- (1) The 2008-09 Budget for Capital Improvements and the Capital Improvement Program be amended to include the following project:

Santa Cruz: Porter College Phase 2 – House A Seismic, Capital Renewal, and Expansion – preliminary plans, working drawings, and construction - \$49,007,000, to be funded from housing reserves (\$3,200,000) and external financing (\$45,807,000).

- (2) The President be authorized to obtain external financing not to exceed (\$45,807,000) to finance the Porter College Phase 2 – House A Seismic, Capital Renewal, and Expansion project, subject to the following conditions:
  - a. Interest only, based on the amount drawn down, shall be paid on the outstanding balance during the construction period.
  - b. As long as the debt is outstanding, University of California Housing System fees for the Santa Cruz campus shall be maintained in amounts sufficient to pay the debt service and to meet the related requirements of the authorized financing.
  - c. The general credit of the Regents shall not be pledged.
- (3) The Officers of the Regents be authorized to provide certification to the lender that interest paid by the Regents is excluded from gross income for purposes of federal income taxation under existing law.
- (4) The Officers of the Regents be authorized to execute all documents necessary in connection with the above.

**G. *Amendment of the Budget for Capital Improvements and the Capital Improvement Program and Approval of External Financing, 2009-2011 Statewide Energy Partnership, Systemwide***

The President recommended that:

- (1) The 2008-09 Budget for Capital Improvements and the Capital Improvement Program be amended to include the following projects:
 

All Campuses: 2009-2011 Statewide Energy Partnership Program projects – preliminary plans – not to exceed \$2,000,000.
- (2) The President be delegated authority to obtain external financing not to exceed \$2,000,000 to finance the preliminary plans of the 2009-2011 Statewide Energy Partnership project, all campuses, subject to the following conditions:

- a. Campuses shall submit requests for approval under this delegated authority generally in proportion to the size of the campus energy programs, with such actions to identify specific repayment sources as appropriate to the scope of planned projects and other matters specified by the President.
- b. The general credit of the Regents shall not be pledged.
- (3) The Officers of the Regents be authorized to execute all documents in connection with the above.

H. ***Certification of Environmental Impact Report and Approval of Design, Sanford (San Diego) Consortium for Regenerative Medicine Facility, San Diego Campus***

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

- (1) Certify the Environmental Impact Report.
- (2) Adopt the Mitigation Monitoring and Reporting Program and Findings.
- (3) Approve the Design of the Sanford (San Diego) Consortium for Regenerative Medicine Facility, San Diego campus.

[The Environmental Impact Report, Mitigation Monitoring and Reporting Program, and Findings were mailed to the Committee in advance of the meeting, and copies are on file in the Office of the Secretary and Chief of Staff.]

[Background material was mailed to the Committee in advance of the meeting, and copies are on file in the Office of the Secretary and Chief of Staff.]

Committee Chair Schilling pointed out that for each item on the Consent Agenda that proposed a design approval, the Committee members were provided with environmental documentation analyzing the impact of the proposed projects, as well as copies of all public comments received and responses prepared by the University, in accordance with the California Environmental Quality Act. She advised that the members of the Committee had reviewed and considered that information, and had balanced the benefits of the project against the unavoidable adverse environmental effects

Regent Hopkinson acknowledged the successful fundraising for the UC San Diego Cardiovascular Center and Thornton Hospital Expansion. She asked why, given that success, the campus was seeking to augment external financing, rather than raising the additional funding from donors. Chancellor Fox advised that fundraising is continuing,

and that the purpose of the item was to avoid project delay by ensuring timely availability of funds.

Regent Hopkinson expressed concern with the per-unit cost of the Porter College Seismic, Capital Renewal and Expansion. She believed the per-unit cost to be \$270,000. Chancellor Blumenthal responded that the project will consist of five floors and includes refurbishment and seismic upgrade, as well as new units.

In response to a question from Regent Schilling, Chancellor Blumenthal responded that the project creates a total of 177 total new beds in addition to the renovation of the buildings. He pointed out that absent the refurbishing, the existing beds would not be useable.

Executive Vice President Lapp pointed out that the item reflects Porter College as having 409 beds, of which 150 are gained from the House A expansion; 177 total net new beds in the building. The total building cost per bed is \$75,653; the cost per bed based only on the building cost of the addition of two floors is \$104,586 per bed.

Regent Hopkinson reiterated her concern with the project cost. She recommended that, in the future, alternatives be evaluated to avoid this level of expense.

Regent Johnson noted the Garamendi financing option in the Santa Barbara Bioengineering Building item, and asked for a written explanation clarifying that mechanism. Vice President Lenz explained that Garamendi financing is available for research facilities. Garamendi financing is indirect cost recovery generated as reimbursement for services provided in support of grants and contracts. Because of its research component, the Bioengineering Building is eligible for Garamendi financing. Based on the revenue sources associated with the funding and the growth in revenue, Garamendi funding may increase each year. It is separate from the University's State operating budget. Vice President Lenz indicated a written explanation would be provided. President Yudof provided an example of the process for calculating the indirect cost recovery rate for research grants.

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

4. **AMENDMENT OF THE BUDGET FOR CAPITAL IMPROVEMENTS AND THE CAPITAL IMPROVEMENT PROGRAM, WESTWOOD REPLACEMENT HOSPITAL, LOS ANGELES CAMPUS**

The President recommended that the 2008-09 Budget for Capital Improvements and the Capital Improvement Program be amended as follows:

From: Los Angeles: Westwood Replacement Hospital – preliminary plans, working drawings, construction and equipment – \$829,300,000, to be funded from federal funds (\$439,700,000), State matching funds (\$44,100,000), State lease revenue

bond funds (\$125,000,000), State children’s hospital grant funds (\$29,827,000), gift funds (\$6,373,000), hospital reserves (\$6,000,000), campus funds (\$1,000,000) and external financing (\$170,300,000), and earnings from previous bond issue (\$7,000,000).

To: Los Angeles: Westwood Replacement Hospital – preliminary plans, working drawings, construction and equipment – \$914,300,000, to be funded from federal funds (\$439,700,000), State matching funds (\$44,100,000), State lease revenue bond funds (\$125,000,000), State children’s hospital grant funds (\$29,827,000), gift funds (\$89,285,000), hospital reserves (\$6,000,000), campus funds (\$3,088,000), external financing (\$170,300,000), and earnings from previous bond issue (\$7,000,000).

[Background material was mailed to the Committee in advance of the meeting, and copies are on file in the Office of the Secretary and Chief of Staff.]

Chancellor Block reported that patient occupancy occurred in June of 2008. He noted the positive reviews by nurses, physicians and patients. In the first three months, the hospital received a 90 percent approval rating from patients, which is unusual for an academic medical center.

Chancellor Block also reported that within the first three hours of the transfer of patients to the new facility, an appendectomy, a liver transplant, and a kidney transplant were performed, and a baby was delivered. During a deadly commuter train crash in Los Angeles County, eight of the most seriously injured victims were airlifted to the new facility. The trauma unit performed flawlessly and the hospital operating rooms saved lives. Though an expensive project, the facility has performed beyond expectations. This facility is the most modern, advanced hospital in America today.

Vice Chancellor Olsen elaborated on the Westwood Replacement Hospital, now known as the Ronald Reagan UCLA Medical Center. The facility is a state of the art, academic medical center with 519 beds. The replacement was necessitated by seismic requirements following the Northridge earthquake of 1994.

In November 2006, the Regents approved the \$829 million budget. Construction begun in late 2000 was originally scheduled for completion in May 2004. The original budget of \$672 million was established in September 2000. A budget augmentation of an additional \$121 million occurred in November 2006. The final project augmentation of \$85 million will bring the total to \$914 million, not including costs which may arise from contractor or subcontractor claims.

Mr. Olsen explained that the budget augmentation is necessitated by changes in the timing and scope of the project’s completion, commissioning, and licensing. Code interpretations required rework. There were unexpected difficulties with the installation of voice and data cabling. There were associated costs for architects, engineers, construction management, and fees for regulatory agencies.



Mr. Olsen explained that the budget of \$829 million consists primarily of federal funds from the Federal Emergency Management Agency, State funds provided through a lease revenue bond approved by the State of California, and external financing already approved and issued by the University. The proposed \$85 million augmentation consists almost entirely of gifts which have been raised and received.

Regent Hopkinson congratulated the campus on the project, and the outstanding transfer of patients. She sought clarification regarding the gift fund numbers. Mr. Olsen responded that the project needs to be understood in the context of three project elements. There is the base project, the second Santa Monica Hospital-UCLA project, and the third project which is equipment and furniture for the other two projects. All projects tie together because the gifts raised were allocated to the furniture and equipment project. Approximately \$300 million was raised for the two hospitals and their equipment.

In response to Regent Hopkinson's admonishment that the Regents want to understand the total cost, including furniture, fixtures, equipment and move-in costs, Mr. Olsen explained that when the Regents provided project approval in November 2006, all three elements and all cost information was provided. The \$85 million augmentation represents a completed project with activity related to the equipping of the hospital. This will continue for some time. The \$914 million includes the cost of equipment, but does not include the cost of medical equipment that is actually fixed in the structure. The number approved by the Regents in 2006 for both the Westwood and Santa Monica hospitals for furniture, fixtures and equipment was \$179 million.

Regents Hopkinson and Schilling requested that the information explaining the allocation of the \$300 million gifts, including their source and application, be provided to the Regents. Mr. Olsen assured the Regents that information would be provided.

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

5. **APPROVAL OF UNIVERSITY OF CALIFORNIA 2009-10 BUDGET FOR STATE CAPITAL IMPROVEMENTS AND DISCUSSION OF STATE AND NON-STATE FIVE-YEAR CAPITAL PROGRAM 2009-10 TO 2013-14**

The President recommended that, subject to concurrence of the Committee on Finance, the 2009-10 Budget for State Capital Improvements be approved, as presented in the document titled, *2009-10 Budget for State Capital Improvements*.

[Background material was mailed to the Committee in advance of the meeting, and copies are on file in the Office of the Secretary and Chief of Staff.]

Vice President Lenz presented the 2009-10 Budget for State Capital Improvements. The figure of \$842.4 million to fund projects previously planned by the campuses' five-year plans, and to restore projects not funded in the 2008 State Budget, was recommended.

This assumes a primary source of funding of lease revenue bonds. No new general obligation bonds will be proposed until 2010-11.

The University's 2008-09 State Capital Budget Plan assumed \$489 million in funding from voter-approved general obligation bonds. The Governor proposed that amount in his January budget; however, the Legislature did not support a general obligation bond for the November 2008 election. Mr. Lenz explained that it was necessary for the University to revise its priorities based on the funding provided. The University was funded for \$261.3 million, over \$200 million of which came from lease revenue bonds. There were \$228 million in projects that were not funded in the current year.

The 2009-10 budget will request the funding of those projects remaining from the 2008-09 budget, as well as the projects scheduled for 2009-10. The total request is \$842.4 million, of which almost \$802 million will come from State lease revenue bonds to fund twenty-six major capital projects. Funding for equipment in the amount of \$12.1 million will come from an existing general obligation bond, as will \$28.5 million for telemedicine and medical education programs.

In the proposed 2009-10 budget, the majority of the funding will be used for enrollment-related facilities, followed by seismic corrections, facility infrastructure modernization, other life-safety corrections, and the telemedicine program. The proposed projects are consistent with the 2009-14 five-year capital program. The 2009-14 five-year capital program consists of approximately \$1.45 billion over the five-year period, assuming State funding is consistent with compact funding. About 58 percent of the five-year funding is being proposed in 2009-10. When funding is proposed from lease revenue bonds, the State requires that projects submitted be ready-to-go, and that preliminary plans, working drawings, and construction all be submitted for funding at once. Previous general obligation bond requests may have reflected the budget for one year, or the preliminary plans and drawings for one year and the construction for the following year. For lease revenue bonds, the University must be prepared to submit all three for funding in a given fiscal year. The project schedule may change if the 2009-10 budget proposals are not fully funded.

Mr. Lenz noted that 2008 is a transition year. The State Capital proposal relates to what the University is proposing for 2009-10 consistent with the State five-year plan. The University is not proposing anything relative to the non-State Capital program. Campuses have been asked to develop ten-year plans for the non-State programs. Comprehensive ten-year programs for both State and non-State will be presented to the Regents in 2009.

The funding needs are estimated at over \$5.9 billion for the next five years, approximately 50 percent of which is to accommodate enrollment growth. An additional 20 percent will be allocated for seismic corrections, and 31 percent will be allocated for renewal of existing facilities. The proposal does not include any funding for support of deferred maintenance or other program changes.

Regent Hopkinson requested an explanation of the process and criteria involved in setting priorities on specific projects, and if each campus is allotted a certain amount.

Mr. Lenz responded that the campuses update their five-year plans for the State funded projects and campus needs. He elaborated regarding the factors: the number of projects on a campus, the ability to complete in a timely fashion given the change to lease revenue bonds, and the specific needs of the individual campus. The priorities are developed by the campus in collaboration with the Office of the President. A comprehensive request is then developed and proposed to the State.

Regent Hopkinson posited the question whether earlier Regental agreement on priorities would be advantageous. Mr. Lenz indicated that priorities change regularly, even in the last six months. For example, he noted the Regents had raised concerns relative to campus seismic projects, and the Office of the President has been ensuring that those projects are ready to go, once State support is provided.

Regent Johnson asked how soon, from the time of Regental approval, a project becomes a reality; for example, the number of years to complete Phase 4 student housing at Merced. Mr. Lenz explained that campus housing is not funded from State funds, but estimated three to five years from the time the budget is approved until the time the projects are completed. He commented that different factors may affect that estimate, however, such as this year's State budget challenges which funded only half the number of projects and delayed remaining projects for a year.

Regent Ruiz expressed his concern regarding budget issues with the State. He sought understanding regarding the State's fiscal challenges and its impact on the University, and how it affects the approval of items before the Regents.

Mr. Lenz explained that in the University's development of the five-year plan, the University works with the Department of Finance regarding the needs of the University. Using the five-year plan, the Department of Finance is able to assess the University's priorities. Though the State may challenge the magnitude of a proposal, or a given project, there is an understanding of what will come before the Regents for approval, and subsequently to the State. Funding availability is the challenge.

Regent Scorza inquired regarding the degree to which deferred maintenance needs will be covered in the current budget proposal. Though they can be considered separate costs, he asked if they are incorporated in the infrastructure, seismic correction, or upgrade modernization processes. Mr. Lenz responded that while there may be indirect related benefit, the University has been attempting to have deferred maintenance needs addressed on the support side of the budget. He noted that has not been successful.

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

6. **ADOPTION OF MITIGATED NEGATIVE DECLARATION, AMENDMENT TO THE 2005 LONG RANGE DEVELOPMENT PLAN, AND APPROVAL OF DESIGN, ENVIRONMENTAL HEALTH AND SAFETY EXPANSION BUILDING, RIVERSIDE CAMPUS**

The President recommended that, upon review and consideration of the environmental consequences of the proposed project as indicated in the attached Mitigated Negative Declaration, the Committee:

- A. Adopt the Initial Study/Mitigated Negative Declaration.
- B. Adopt the Findings.
- C. Amend the 2005 Long Range Development Plan (LRDP).
- D. Approve the design of the Environmental Health and Safety Expansion Building, Riverside campus.

[The Initial Study/Mitigated Negative Declaration, Findings, and amendment to the LRDP were mailed to the Committee in advance of the meeting, and copies are on file in the Office of the Secretary and Chief of Staff.]

[Background material was mailed to the Committee in advance of the meeting, and copies are on file in the Office of the Secretary and Chief of Staff.]

Committee Chair Schilling indicated that the Committee members were provided with environmental documentation analyzing the impact of the proposed project, as well as copies of all public comments received and responses prepared by the University, in accordance with the California Environmental Quality Act. She advised that the members of the Committee had reviewed and considered that information and had balanced the benefits of the project against the unavoidable adverse environmental effects.

Associate Vice Chancellor Caskey indicated that this project is 31,000 gross square feet, and 19,000 assignable square feet. The budget is \$18.5 million, supported primarily by State funds and campus funds. The building cost estimate is approximately \$400 per square foot, consistent with other projects.

The project is located in the western sector of the Riverside campus. The long range development plan amendment redefines a portion of the six acre site, and an additional two acres, to be dedicated to the environmental health and safety expansion building, leaving three acres for a future mid-rise parking structure at a later date.

The building is a contemporary building targeting LEED Silver certification. A LEED Gold certification has been studied, but would increase the construction budget an additional five percent to attain. The building is concrete block, using the UCR brick blend to provide consistency in design. Landscape screens are being used to modulate

and decrease the massing of the concrete block. There will be wainscoting of UCR brick, and the concrete block will be sandblasted for a softer look.

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

7. **ADOPTION OF MITIGATED NEGATIVE DECLARATION, AMENDMENT TO THE LONG RANGE DEVELOPMENT PLAN, APPROVAL OF DESIGN, OCEAN SCIENCE EDUCATION BUILDING PHASE 1, SANTA BARBARA CAMPUS**

The President recommended that, upon review and consideration of the environmental consequences of the proposed action as evaluated in the attached Mitigated Negative Declaration Report, the Committee:

- A. Adopt the Mitigated Negative Declaration.
- B. Adopt the Findings, and Mitigation Monitoring Program.
- C. Amend the Long Range Development Plan (LRDP).
- D. Approve the design of the Ocean Science Education Building Phase I, Santa Barbara campus.

[The Mitigated Negative Declaration, Findings, Mitigation Monitoring Program, and amendment to the LRDP were mailed to the Committee in advance of the meeting, and copies are on file in the Office of the Secretary and Chief of Staff.]

[Background material was mailed to the Committee in advance of the meeting, and copies are on file in the Office of the Secretary and Chief of Staff.]

Committee Chair Schilling indicated that the Committee members were provided with environmental documentation analyzing the impact of the proposed project, as well as copies of all public comments received and responses prepared by the University, in accordance with the California Environmental Quality Act. She advised that the members of the Committee had reviewed and considered that information and had balanced the benefits of the project against the unavoidable adverse environmental effects.

Senior Associate Vice Chancellor for Administrative Services Fisher explained that this item is a joint venture project between National Oceanic and Atmospheric Administration (NOAA) and the University of California Santa Barbara. The site is on the east side of the campus, facing the Pacific Ocean. One of the groups who will be housed in the facility is the administration of the Channel Islands National Marine Sanctuary (CINMS).

Because of its location in the coastal zone, there is a facility height limit of 45 feet. The Coast Act sets a series of setback requirements on the building. The building is divided

into two sections, one for the CINMS, primarily office space, and the other for the Outreach Center for Teaching Ocean Science, a K-12 outreach program, which includes both wet and dry exhibition space and a virtual theater with their office space. A two-story kelp tank in the center courtyard links the two sides. The building will use natural ventilation. Discharged seawater will be used to cool the building. If an issue with funding arises, the building may be built in two phases.

The facility will be LEED Gold certified with potential for a Platinum rating. The landscaping will use plants native to the Channel Islands. This is a building designed to teach about the islands, the sanctuary, the environment, and the use of water and energy. The transect creates the illusion of being on the ocean floor. Standing on the glass, images from the ocean are projected, surrounding the student with ocean on the wall and the floor. Provisions have been made for wheelchair users.

Regent Hopkinson asked about the use of wood on a coastal building and the maintenance issues which may arise. Mr. Fisher responded that the campus has been successful in using wood. While in the past mahogany was used; the wood for this structure will be epy, a very durable, strong, oily, and dense wood.

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

**8. PRELIMINARY REVIEW OF DESIGN, MUIR COLLEGE APARTMENTS, SAN DIEGO CAMPUS**

[Background material was mailed to the Committee in advance of the meeting, and copies are on file in the Office of the Secretary and Chief of Staff.]

Chancellor Fox introduced Vice Chancellor for Resource Management and Planning Matthews and Associate Vice Chancellor for Resource Management and Planning Hellman.

Mr. Matthews presented the design reviews for the three San Diego campus items, which are concerned with improving the quality of both undergraduate and graduate student housing. The housing program currently serves 36 percent of the student body. With the enhancements before the Committee, UCSD projected the increase to 42 percent, with a campus goal of 50 percent.

Mr. Matthews indicated the San Diego campus has received comments and input from students over the years that indicate La Jolla is not affordable for the students. This housing provides greater access to the academic program and the extramural programs in which the students participate. Sustainability has been addressed as have opportunities to reduce single occupant traffic to the campus. Over the last several years, the campus has improved its access and offerings to students.

Mr. Hellman presented the Muir College Apartments project. There are 280 student beds and common areas which include laundry, mail service, onsite management and gathering space. The project, which complies with the campus's 2004 Long Range Development Plan, will consist of 100,000 gross square feet. A LEED Silver certification is targeted. He informed the Committee that the planning process at UC San Diego takes from the Long Range Development Plan and Master Plan and focuses on the colleges or neighborhoods. In this case, the Revelle–Muir College Neighborhood Planning Study was completed some time ago. Planning studies are a method by which the campus defines how much space will go into the colleges to assure the campus' ability to accommodate growth anticipated by UC San Diego, and opportunities that may arise.

Mr. Hellman reported that Muir College received a Getty Foundation Architectural Heritage Grant which presented an opportunity for the campus to evaluate the college's architecture. Future work will reflect the rhythm and current campus organization, clustering of buildings, orientation around courtyards as well as maintaining the height and scale of the structures.

The landscape and site plan is very developed and compact. Permeable paving and rain gardens will be used. The first level of the project incorporates space for coffee and sandwich shops, meeting rooms, service support space, and mechanical space. The living suites consist of six bedroom suites comprised each of two double bedrooms and two single bedrooms coming with an entry corridor into a kitchen/living room area. There are shared bathroom facilities.

In response to President Yudof's concern regarding use of concrete and absence of windows in the structure presented, Mr. Hellman explained that the campus is duplicating the original architectural design maintaining the material palette using concrete and cement plaster.

Regent Hopkinson opined that the design of the project is interesting but expressed her concern with the materials and the color palette. She requested that the campus give additional thought to the use of concrete. Mr. Hellman presented the materials board to supplement the renderings provided to the Committee.

Regent Johnson expressed her continuing concern that dormitories, and this project, do not provide sufficient restroom facilities for the number of students residing there. She asked if student opinions regarding the facilities had been sought or considered in the design process. Mr. Hellman indicated that studies reflect student satisfaction with the current suite design.

Regent Scorza acknowledged the value of concrete in sustainability efforts, such as passive solar, and inquired whether mitigation of energy costs had been considered as a result of the use of concrete. Mr. Hellman confirmed that concrete is an excellent thermal mass which will store energy during the daytime and then in the evening, radiate the heat out. These projects use flow-through ventilation allowing the concrete to take on the ambient conditions.

9. **PRELIMINARY REVIEW OF DESIGN, REVELLE COLLEGE APARTMENTS, SAN DIEGO CAMPUS**

[Background material was mailed to the Committee in advance of the meeting, and copies are on file in the Office of the Secretary and Chief of Staff.]

Vice Chancellor Hellman addressed the Revelle College Apartment project, a student structure with 510 beds and common areas and accommodations similar to that of the Muir College Apartments. The project consists of 153,000 gross square feet targeting a LEED Silver certification, and in compliance with the 2004 Long Range Development Plan and the 1989 US San Diego Master Plan.

He informed the Committee that Revelle College was the first college built at UC San Diego; this project will increase its density. The architecture at Revelle College is a modern design, with more articulation and ornamentation than at Muir College. The floor plan consists of two towers connected by a five-story residential bar link. Each floor consists of two singles and two double rooms with the same configuration as the Muir College student housing. The material palette is similar to what is currently at Revelle College, a combination of concrete and warm colors and colored cement plaster. There is a possibility of using translucent glass to allow more light into certain areas.

Regent Hopkinson commented that while the towers are acceptable, the view from the courtyard and looking west from Revelle Commons is unattractive. She acknowledged the design continues the original architecture, now outdated. She asserted that the Committee should examine the criteria for selection of architects and questioned the use of architects unfamiliar with the campus.

Mr. Hellman clarified that it was the intention of the architect to have the project resonate with the current Revelle design, and asked for specific objectionable points. Regent Hopkinson responded that though she understood the need for compatibility, it did not justify duplicating a design that appears flat. President Yudof concurred that the presentation appeared to be boxes assembled on top of one another. Mr. Hellman thanked the Regents for the helpful comments.

10. **PRELIMINARY REVIEW OF DESIGN, HEALTH SCIENCES NEIGHBORHOOD GRADUATE AND PROFESSIONAL HOUSING, SAN DIEGO CAMPUS**

[Background material was mailed to the Committee in advance of the meeting, and copies are on file in the Office of the Secretary and Chief of Staff.]

Vice Chancellor Hellman presented the next project, a graduate student housing project which utilizes a design-build methodology, unlike the two prior infill projects. This project has been bid with a fixed budget of \$67.1 million. There was a design competition, reviewed and judged by a UC San Diego design review board and building advisory committee. Webcor Builders, Inc./Valerio Dewalt Train Associates, Inc. were



selected as the winning design-build team in June 2008. The project is 220,000 gross square feet located on the southern portion of the campus. The site complies with the 2004 Long Range Development Plan and the 1989 UC San Diego Master Plan.

One important piece of the Health Sciences Neighborhood Planning Study is the development of an academic mall. The Skaggs School of Pharmaceutical Sciences building has been completed and the linear academic mall is being developed to conclude with the graduate and professional student housing project.

The units are two bedroom, one bath per unit in nine levels. The interior of the units will have exposed concrete. The project has natural lighting in the corridors, a fitness room and green roof terraces at the fourth level. Materials are light colored exterior field stucco with clear and tinted glass. Natural ventilation and solar mechanical ventilation will both be used on the project.

Regent Hopkinson complimented the building but asked about considerable space consumed by the access road, the minimal parking provided and the unattractiveness of the view to a parking lot. She suggested reduction of the parking lot and access road and the planting of trees. Mr. Hellman proposed a modification to a grass-concrete turfing.

In response to a question from Regent Johnson regarding the removal of a parking lot to facilitate the building of this project, Mr. Hellman indicated that the campus recently built three parking structures in the University Center, close to this proposed structure, and additional parking will continue to exist in the Health Sciences parking lot. Though parking may not be abundant on the campus, no restrictions have yet been placed on resident student parking and it is anticipated there will be ample parking.

Vice Chancellor Matthews explained that in collaboration with the Metropolitan Transit System (MTS), free bus passes are available to faculty, staff, and students. Over the last two years, bus access has created a significant reduction in parking permits. The campus has negotiated with MTS for better routes, mapping, and tracking the locations of off-campus student living. The high price of gasoline has also contributed to the reduction. The campus uses both mass transit and shuttle service into the community.

In response to a question by Regent Hopkinson, Mr. Hellman informed the Committee that the North Campus Housing, under construction now, will also not have resident parking. Chancellor Fox added that there is parking at a semi-remote location from which students can shuttle.

Regent Scorza observed that while he wants to encourage sustainable practices with regard to transportation, graduate and professional students travel off campus to do research frequently. Accommodations for their parking should be considered. Chancellor Fox noted that the graduate students and medical students have representation at Hillcrest Hospital and the Children's Hospital in San Diego, locations heavily serviced by the shuttles. Mr. Matthews added that the campus is shuttling between the La Jolla campus

and Hillcrest Hospital, providing increased transportation opportunities and student access to housing at Hillcrest. The students can live in either location.

**11. REAPPROVAL OF EXTERNAL FINANCING, COMPUTATIONAL RESEARCH AND THEORY FACILITY**

The President recommended the reapproval of the external financing of the Computational Research and Theory Facility as follows:

- A. The President be authorized to obtain external financing not to exceed \$107.5 million to finance the Computational Research and Theory Facility 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) As long as the debt is outstanding, the debt service and related requirements of the authorized financing shall be sought first from Lawrence Berkeley National Laboratory (LBNL) operating funds, to the extent available.
  - (3) The President shall create a contingency funding strategy to pay the debt service for the external financing in the event LBNL operating funds are not available or insufficient to pay the debt service.
  - (4) The general credit of the Regents shall not be pledged.
- B. All other terms and conditions of the project remain the same.
- C. The Officers of the Regents be authorized to execute all documents necessary in connection with the above.

[Background material was mailed to the Committee in advance of the meeting, and copies are on file in the Office of the Secretary and Chief of Staff.]

Executive Vice President Lapp stated that this \$113 million facility is intended to house the National Energy Research Scientific Computing (NERSC) Center, which is currently run by LBNL at rented space in Oakland. This item sought to clarify statements related to the manner in which the debt service on the facility would be paid. The two prior items approved at the March 2007 and May 2008 Regents meetings indicated that LBNL operating funds would be used to pay the debt service. These funds, from the Department of Energy, are not guaranteed funds and their availability depends on annual appropriation by Congress. Once the facility is built, it is anticipated that the NERSC program will move into the facility with a budget of roughly \$65 million, \$10 million of which would help pay the debt service. In the unlikely event that does not happen, there

is a contingency plan to move Berkeley campus activities currently located in leased spaces around the Berkeley campus into the facility.

In addition, LBNL would use \$3 million of its operating funds to pay the debt service. Should it be necessary, however, the Office of the President would provide bridge funding of approximately \$1 million over five years while LBNL determined other ways to pay the costs.

Regent Hopkinson expressed her support for the project and the alternative plan being proposed.

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

The Committee recessed at 4:58 p.m.

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 The Committee reconvened on November 19, 2008, at 3:15 p.m. with Committee Chair Schilling presiding.

Members present: Regents Blum, Hopkinson, Johnson, Kozberg, Ruiz, Schilling, Shewmake, and Yudof; Advisory members Bernal and Powell

In attendance: Regents Cole, De La Peña, Garamendi, Gould, Hotchkis, Island, Makarechian, Marcus, Pattiz, Scorza, and Varner, Regents-designate Nunn Gorman and Stovitz, Faculty Representative Croughan, Secretary and Chief of Staff Griffiths, Associate Secretary Shaw, General Counsel Robinson, Chief Investment Officer Berggren, Chief Compliance and Audit Officer Vacca, Interim Provost Grey, Executive Vice Presidents Darling and Lapp, Senior Vice President Stobo, Vice Presidents Beckwith, Broome, Dooley, Foley, Lenz, and Sakaki, Chancellors Birgeneau, Block, Blumenthal, Drake, Fox, Kang, White, and Yang, and Recording Secretary Lopes

**12. UPDATE ON SEISMIC SAFETY AND PROGRAM IMPROVEMENTS**

Executive Vice President Lapp introduced UC Berkeley Vice Chancellor Denton and UCLA Vice Chancellor Olsen. Ms. Lapp began the discussion by noting that it was to be a follow-up to the September Regents' meeting regarding outstanding seismic work remaining on campuses. At the September meeting, the Office of the President was requested to undertake a survey of the campuses to determine what seismic work has been done and what work remains to bring the University structures up to the required level of safety.

Ms. Lapp described the charts provided, which reflect the results of the survey by campus. The chart indicates that over 20 million gross square feet of seismically poor or very poor projects have been vacated, completed, or are in progress.

There are 4.7 million gross square feet awaiting resolution, 3.9 of which are on the UC Berkeley and UCLA campuses, the older campuses. Ms. Lapp discussed the actual projects on those campuses which must be undertaken. Schedules were also provided that were developed by the campuses to address the outstanding projects over the next 10 years to 12 years, assuming funding. Two of the priority projects, one on the UC Berkeley list and one on the UCLA list, are in the 2009-10 capital budget request to be submitted to the State. The campus schedules have been submitted to the Office of the President, which will be working with the campuses and their experts to review the priorities set by the campuses, as well as the campus limitations.

UCLA Vice Chancellor Olsen advised that Phase One of UCLA's reconstruction program, focused almost exclusively on the Center for the Health Sciences, is now complete. Currently under construction is the Life Sciences Replacement Building. Hershey Hall is now funded under the current year State budget. Remaining is the Center for Health Sciences South, which has been largely vacated. It is available for renovation and is proposed for funding in 2009-10 at \$123 million. Funding sources need to be identified for \$87 million of that project.

Mr. Olsen presented a number of remaining projects outside the Center for the Health Sciences, including Parking Structure 8, which is funded and for which work is in progress. The renovation of the Life Sciences building is necessary to allow for the relocation of the School of Public Health, a building rated poor. Construction of the Wasserman Building, a new project funded through gifts, will allow the campus to address the Jules Stein building, also rated poor.

Finally, Mr. Olsen pointed out that there are additional projects once the replacement buildings are complete. The completion of the new buildings will allow the campus to vacate and demolish a number of the additional projects, limiting the size of the net gain of inventory. Mr. Olsen advised that total project cost is approximately \$1.4 billion, including both State and local campus contributions. This number is consistent with numbers provided to the Committee in previous discussions.

In response to a request from Regent Hopkinson regarding reconciliation of the figures, Mr. Olsen pointed out that the cost of the renovation of existing buildings is \$553 million. That figure does not include the cost of the sizeable amount of work necessary to create the capacity to relocate the programs that are currently in the deficient buildings so that the remaining buildings may be repaired or demolished. Regent Hopkinson requested further clarification in the future.

UC Berkeley Vice Chancellor Denton discussed Sather Gate, which has been taken down as a result of its seismically unsound status. Repair of the arches and columns is in progress. He spoke of the dilemmas involved with an older campus. Sixty-six percent of the UC Berkeley campus structures that were rated poor or very poor have been corrected. Mr. Denton indicated that seismic projects involve both funding and displacement because accessibility, fire alarms, sprinkler systems, and ventilation systems are not up to code, inherent in the nature of seismic work on an older campus.

Mr. Denton stressed that a major seismic renovation challenge is relocation. Within a one-mile radius of the Berkeley campus, there are approximately two million square feet of office space. The Berkeley campus already occupies a percentage of that space and the remaining percentage is small or itself seismically unsafe.

Mr. Denton explained that the schedule to address the campus' seismic issues, which was developed to balance many factors, includes three phases. The first phase involves approximately one million square feet; the second, roughly one-half million square feet; and the third, 680,000 square feet. By 2012-13, the campus proposes to have 82 percent of its seismic work completed or underway, by 2016-17, 89 percent; and by 2020-21, 100 percent. This schedule assumes funding and ancillary projects including, potentially, a surge building for relocation of occupants while the seismic work is underway.

Mr. Denton explained further that partial upgrades have been done to some buildings, and some buildings have been abandoned or converted to other use. The campus holds annual emergency response exercises. He provided a sample of a campus sign posted for the occupants, providing directions for what to do and where to go in case of earthquake, fire, hazardous materials release, power outage, bomb threat, or explosion. Mr. Denton pointed out that the campus has a new program which allows notification to everyone on campus by email, telephone, or pager in the case of an emergency, in addition to the campuswide public address system. Seismic upgrading is not simply about fixing the structures; a comprehensive response program must be utilized.

The meeting adjourned at 3:30 p.m.

Attest:

Secretary and Chief of Staff