

The Regents of the University of California

COMMITTEE ON GROUNDS AND BUILDINGS

March 18, 2008

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

Members present: Regents Allen, Bugay, Kozberg, Ruiz, and Schilling; Advisory members Shewmake and Croughan

In attendance: Regents Brewer and Garamendi, Faculty Representative Brown, Associate Secretary Shaw, General Counsel Robinson, Provost Hume, Executive Vice President Lapp, Vice Presidents Broome, Lenz, and Sakaki, Chancellors Blumenthal, Fox, and Vanderhoef, and Recording Secretary Johns

The meeting convened at 11:25 a.m. with Committee Chair Kozberg presiding.

1. **CONSENT AGENDA**

A. *Amendment of the Budget for Capital Improvements and the Capital Improvement Program for the Engineering 4 Building, Davis Campus*

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

Davis: Engineering 4 – preliminary plans – \$2,350,000 to be funded from campus funds.

B. *Amendment of the Budget for Capital Improvements and the Capital Improvement Program, Health Sciences Biomedical Research Facility 2, San Diego Campus*

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

San Diego: Health Sciences Biomedical Research Facility 2 – preliminary plans – \$4,720,000 to be funded from campus funds.

C. *Amendment of the Budget for Capital Improvements and the Capital Improvement Program and Approval of External Financing for Porter College Seismic and Capital Renewal Phase 1, Santa Cruz Campus*

The President recommended that:

- (1) The 2007-08 Budget for Capital Improvements and the Capital Improvement Program be amended to include the following project:

Santa Cruz: Porter College Seismic and Capital Renewal Phase 1 – preliminary plans, working drawings, and construction – \$58,662,000 to be funded from housing reserves (\$3,773,000) and external financing (\$54,889,000).

- (2) The President be authorized to obtain external financing not to exceed \$54,889,000 to finance the Porter College Seismic and Capital Renewal Phase 1 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.

D. *Adoption of Mitigated Negative Declaration and Approval of Design, East Campus Student Apartments, Phase III, Irvine Campus*

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

- (1) Adopt the Mitigated Negative Declaration.
- (2) Adopt the Findings.
- (3) Approve the design of the East Campus Student Apartments, Phase III, Irvine campus.
- (4) Authorize the President to approve any required design changes, if such changes do not materially alter the scope of the project.

E. *Adoption of Findings and Approval of Design, Management School Facility Phase 2, San Diego Campus*

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

- (1) Adopt the Findings.
- (2) Approve the design of the Management School Facility Phase 2, 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.]

Committee Chair Kozberg noted that, for each item on the Consent Agenda that proposes a design approval, the Committee members have been provided with the environmental documentation prepared pursuant to the California Environmental Quality Act (CEQA) and with copies of all public comments received and responses prepared by the University. Committee members have reviewed and considered the information received.

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

2. **AMENDMENT OF THE BUDGET FOR CAPITAL IMPROVEMENTS AND THE CAPITAL IMPROVEMENT PROGRAM AND APPROVAL OF INTERIM AND STANDBY FINANCING, MODIFICATION OF 1976 REGENTS' RESOLUTION, AMENDMENT OF LRDP, ADOPTION OF THE MITIGATED NEGATIVE DECLARATION AND APPROVAL OF DESIGN, INSTITUTE FOR REGENERATION MEDICINE BUILDING, SAN FRANCISCO CAMPUS**

The President recommended that:

- A. The 2007-08 Budget for Capital Improvements and the Capital Improvement Program be amended as follows:

From: San Francisco: Institute for Regeneration Medicine Building – preliminary plans – \$6,300,000 to be funded from gifts.

To: San Francisco: Institute for Regeneration Medicine Building – preliminary plans, working drawings, construction, and equipment – \$119,256,000 to be funded from gifts (\$79,256,000) and California Institute for Regenerative Medicine funds (\$40,000,000).

- B. The President be authorized to obtain standby financing not to exceed \$25,000,000 and interim financing not to exceed \$32,511,000, for a total of \$57,511,000, prior to awarding a construction contract for any gift funds not received by that time and subject to the following conditions:

- (1) Interest only, based on the amount drawn down, shall be paid on the outstanding balance during the construction period.
- (2) Repayment of any debt shall be from gift funds. If gift funds are insufficient and some or all of the debt remains outstanding, repayment shall then be from the UCSF School of Medicine Dean's share of the Faculty Practice Plan income.
- (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.

- E. Upon consideration of the environmental consequences of the proposed action as evaluated in the Mitigated Negative Declaration, the President recommended:
- (1) Modification of the May 1976 Regents' Resolution "Designation of Open Space Reserve - Attachment I" to remove 0.5 acres of the Institute for Regeneration Medicine site from the Mt. Sutro Open Space Reserve, and add 0.5 acres from the Aldea San Miguel housing parcel to the Mt. Sutro Open Space Reserve, so that the total area of the Mt. Sutro Open Space Reserve remains 61 acres. [It is anticipated that Aldea Apartment Building 5 would be demolished by 2009 and Aldea Apartment Building 4 by 2023.].
 - (2) Amendment of the UCSF 1996 Long Range Development Plan Parnassus Heights: Site Map Figure 2 to reflect the above modification to the May 1976 Regents' Resolution by excluding a 0.5-acre portion of the IRM site from the Mount Sutro Open Space Reserve.
 - (3) Amendment of the UCSF 1996 LRDP Parnassus Heights: Functional Zones Figure 3 to redesignate 0.9-acres of the 1.9-acre IRM site from Logistical Support to Instruction and Research.
 - (4) Adoption of the Mitigated Negative Declaration.
 - (5) Adoption of the Findings and adoption of the Mitigation Monitoring Program.
 - (6) Approval of the design of the Institute for Regeneration Medicine Building, San Francisco 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.]

Committee Chair Kozberg noted that the Committee members have been provided with the environmental documentation prepared pursuant to the California Environmental Quality Act (CEQA) and with copies of all public comments received and responses prepared by the University.

UCSF Campus Architect Steve Wiesenthal recalled that the Institute for Regeneration Medicine project was brought before the Regents on May 15, 2007 as a preliminary discussion item, and received positive feedback. The campus is now seeking approval for design, budget, and LRDP amendments. He acknowledged that the project is costly. It is a complex biomedical research facility on a difficult site.

Mr. Wiesenthal expressed the wish to begin a total transformation of the UCSF campus into a true campus. He described UCSF as now possibly the densest and least coherent of the UC campuses. He ascribed this lack of architectural cohesiveness to decades of expedient and myopic development. The principles which guide the development of the Mission Bay campus are now being applied to the Parnassus campus with this project. The project is progressing quickly. Mr. Wiesenthal observed that the California Institute for Regenerative Medicine (CIRM) places a high priority on rapid delivery of construction projects, specifically within two years. This project is planned to be completed by August 2010.

The goals for UCSF's Institute for Regeneration Medicine are to foster ground-breaking research in stem cell biology, cell differentiation, and tissue regeneration, and to develop cell-based therapies in cures for human diseases. The building will provide a needed expansion for the campus' stem cell program, and is envisioned as a safe haven for derivation, characterization, manipulation, and storage of non-Registry human embryonic stem cells. It will provide an interactive environment to integrate research across system pipelines – cardiovascular, neural, musculoskeletal, reproductive, and others – and serve as a nexus for research.

Mr. Wiesenthal then discussed the choice of location, at Parnassus rather than Mission Bay. The Parnassus campus provides an appropriate translational research environment. The building will be located near relevant clinical programs and health care facilities. There is an economic advantage in closeness to an existing vivarium, imaging and GMP facilities, health science laboratories already carrying out stem cell research, and a central utility plant.

The architectural vision for the project is to transform the Parnassus campus, to mediate between the urban campus and the Mt. Sutro nature reserve, to promote interdisciplinary collaboration, to advance UCSF's agenda in environmental sustainability, and to support flexibility in the long term and life cycle cost performance.

Mr. Wiesenthal cited project statistics. He pointed out the project's high, 65 percent net-to-gross efficiency with 71,000 gross square feet and 46,000 assignable square feet. The building will house 25 principal investigators, with a total population of approximately 250. The construction cost is just under \$1,000 per gross square foot, or \$70.8 million. The total project cost is \$119.3 million. The intention is to begin the project in July of this year, for occupancy two years later.

Mr. Wiesenthal discussed an aerial photograph of the Parnassus campus and site location. He pointed out the density of buildings on the campus, which leaves no other site available without demolition. Further demolition is anticipated at the Parnassus campus, but not in time for this project. The campus is seeking

approval for an amendment to the 1996 LRDP, to trade space in order to keep the total area of the Mt. Sutro Open Space Reserve intact. The proposal would remove one half acre from the open space reserve and add one half acre near the Aldea housing complex. In addition, the campus wishes to re-designate a space of just under one acre from a logistical support zone to an instruction and research zone.

Mr. Wiesenthal described the site location and conditions. While the site presents challenges, it is the most convenient of the Parnassus sites that were considered, for construction access from Medical Center Way and proximity to the central utility plant. The location, adjacent to existing health sciences research facilities, will obviate the need to recreate such facilities for the new building.

The form of the building may be unconventional, but the campus believes it best meets the goals of the Institute for Regeneration Medicine. This is an extruded floor plan with four sections. Each section functions as a laboratory neighborhood. The sections step up the hill along with the site topography in split levels, from one laboratory floor to the next. This allows for views and connections between offices and laboratories. There are green roof terraces, accessible from the office clusters above each of the laboratories. The split-level laboratories and offices are connected with open stairs and windows, such that the entire laboratory area flows together as one continuous floor; it is designed to foster interdisciplinary cooperation. A bridge will connect the building to the ninth floor of the existing Health Sciences East tower. The building is supported by piles driven into the ground, avoiding costly excavation.

UCSF Director of Capital Programs Michael Bade recalled that the campus had studied the possibility of more conventional buildings on the site, which would require extensive excavation and construction of retaining walls. Excavation would draw out the length of the project, increase costs, and create more environmental intervention than was desired. Mr. Bade described the system of pier foundations and base isolation, which provides good seismic design, greatly reduces the weight of steel in the structure above the base isolators, and reduces costs. The use of exterior ramps instead of corridors will increase efficiency. Mr. Bade pointed out that the laboratory floors are standardized and prototypical, not customized for individual researchers, a design feature supported by the School of Medicine. He discussed the efficiency of the building, such as the air flow design, which will reduce fan horsepower and save energy.

The design-build delivery method is being used for this building. Mr. Bade informed the Committee that two teams are competing for the project in a highly organized selection process, which encourages them to bring forward their best ideas for cost control and constructability. He noted that the campus is expediting construction initiation by facilitating the foundations, base isolators, and steel order during the current bidding phase. The campus is investing in the teams'

development of the steel design and base isolator design, in order to move directly to ordering the steel after the construction contract is final.

The project uses lean construction techniques and is targeting LEED Silver certification. The campus will award quality points to the contractor-architect teams if they push the LEED certification level above Silver. The building will outperform the State Title 24 Energy Efficiency Standards for Residential and Nonresidential Buildings by more than 20 percent. Among other sustainable design features, Mr. Bade discussed the building's ventilation pattern and terraced green roof. The roof will provide good insulation and replace some of the natural area that is being displaced by the project.

Mr. Wiesenthal discussed renderings of the building interior, the materials being used, and renderings of the exterior, including the ninth floor bridge approach, and the building's position relative to Medical Center Way and the hillside and nature reserve. He noted that discussions took place with faculty to convince them that this "back of the house" site would be suitable for research laboratories, and that the design incorporates the vision of an intellectual retreat in the forest. He described the design as dramatic, yet pragmatic.

Regent Schilling asked if there has been discussion with neighbors and the community about the exchange of Mt. Sutro Open Space Reserve land. Mr. Wiesenthal responded that the issue has been brought to community advisory groups, who support the proposal.

Faculty Representative Croughan observed that the steep wooded area of the site was accurately depicted in the renderings. She referred to the daylight harvesting indicated in one of the diagrams of the building's sustainable design features. She praised this feature, but pointed out that the Parnassus campus rarely gets sunshine. She expressed concern that the pedestrian bridge would not be covered in what is usually a cool and foggy weather pattern. Mr. Wiesenthal responded that the bridge is covered with a roof and glass to protect pedestrians from the wind.

Professor Croughan asked about parking for the structure. Mr. Wiesenthal responded that no parking is being added for this project. He recalled the campus' goal not to increase its population dramatically. While there will be some new recruitment to the Regeneration Medicine program, it is anticipated that existing parking will support the campus population to the extent that it currently does.

Professor Croughan observed that only 25 principal investigators will be added and described the project as a fairly large building for a smaller research endeavor. The project moves people from existing space rather than allowing new recruitment. Mr. Wiesenthal responded that about one third of the building

will be occupied by new recruits, and one half to two thirds by relocated individuals. This will allow recruitment for vacated spaces at Parnassus.

Regent Bugay noted that this is an expensive building, which may be due more to the challenges of the site than to the actual structure of the laboratory. He asked if, beyond the cost of construction, there is a \$20 million cost for preparation of the site. Mr. Wiesenthal confirmed the \$20 million cost for the site infrastructure: the addition of some equipment, such as a chiller and emergency generator, in the central utility plant, the bridge, and other site work. Mr. Bade added that a fire water line comes down from a pressure tank on the hill. It cannot be disturbed in the course of construction.

Regent Bugay noted that the stated \$995 per gross square foot cost excludes infrastructure cost. He asked for the total cost per square foot. Mr. Wiesenthal estimated the total cost as higher by about another 20 percent, or somewhat less than \$1,200 per square foot.

Regent Bugay referred to the benefit of adjacency to facilities at the Parnassus camps, discussed during the presentation. He asked what is substantially different at the Mission Bay campus. Mr. Wiesenthal responded that there currently is not a clinical program at Mission Bay. As the Mission Bay campus is being developed, animal research facilities are being provided building by building, and program by program. The stem cell research program would need its own vivarium if it were placed at Mission Bay. The Mission Bay campus does not yet have a central utility plant. The Parnassus campus has fundamental infrastructure advantages.

Regent Bugay requested a definition of “targeted caps” in the design-build transaction. Mr. Bade explained that the design-build contract provides for a target cost and a maximum acceptable cost. The campus grants the design-build teams quality points for meeting the target cost, but also states the maximum acceptable cost.

Citing the challenging nature of the construction site, Regent Bugay asked who would be responsible for cost increases in case of a major problem. Mr. Bade responded that, after the contract is finalized, the architect is responsible.

Regent Ruiz asked about the estimated life span of the building. Mr. Wiesenthal responded that the project is being built for a 50 to 100 year life span. Regent Ruiz asked about the building’s long-term strategic value, noting that the building will outlast the research projects for which it was conceived. He asked how adaptable the building will be for future uses and different forms of research. Mr. Wiesenthal pointed out that the building’s open bays of wet bench laboratories, procedure space, laboratory support space, and office space are fundamental components of any UCSF biomedical research laboratory. This project represents a different configuration which the campus believes will be

highly adaptable for future stem cell or other research. The floor plan, without finite boundaries, allows the size of individual laboratories to grow or shrink as needs change. Mr. Bade observed that, during the development of the Mission Bay campus, there have been remarkably few requests for changes to new buildings. He believed that this reflects clarity of purpose regarding programming and facilities design on the part of the School of Medicine. He anticipated that building uses may change, but that there will not be a need to reconfigure this or other new laboratory buildings for new research endeavors.

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

3. **PROJECT UPDATE, MISSION BAY MEDICAL CENTER, SAN FRANCISCO 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.]

UCSF Medical Center Chief Executive Officer Mark Laret began his presentation by informing the Committee that the project in question is the largest single project in the history of UCSF, and will be one of the largest in UC history, thus requiring significant consideration by the Regents.

Mr. Laret quoted a statement by Chancellor Bishop on the rationale for the project: "The completion of a new Mission Bay Children's, Women's, and Cancer Hospital, integrated with what is becoming one of the nation's premier research campuses, will spawn and accelerate the development of new diagnostic and therapeutic approaches to the world's diseases." Chancellor Bishop also observed that this project will allow UCSF to provide patient care in the safest, most technologically advanced and patient-centered facilities, and stated that it is imperative to build the project for the sake of patients and potential scientific breakthroughs. Mr. Laret expressed the campus' passion about this project, but recognized its significant scope and magnitude.

Mr. Laret briefly described UCSF as a small campus focused on health sciences, with Schools of Nursing, Pharmacy, Dentistry, and Medicine which are highly ranked in the nation. The Medical Center Hospital is consistently ranked as one of the top ten hospitals in the U.S. He reviewed the sites of UCSF at the Parnassus, Mount Zion, and Mission Bay campuses. He noted that the Moffitt Hospital on the Parnassus campus, built in 1955, has seismic problems and must be retrofitted by 2030. The Mount Zion campus, an inpatient campus located in the Western Addition neighborhood of San Francisco, must be retrofitted or taken out of service by 2015. In the future this campus could become the outpatient center for UCSF. The Mission Bay research campus continues to be built and has acquired land to its south for new hospital facilities.

From 2004 to 2006, some of UCSF's major concerns have been compliance with seismic safety law and obsolete facilities which make it difficult to accommodate necessary information technology and equipment, and to accommodate patient families. The UCSF Children's Hospital does not have room for parents to stay with their children. Mr. Laret noted that there are other capacity problems as well.

Mr. Laret recalled that the campus, faced with the state 2013 seismic deadline, had made requests in 2006 to allow a retrofit of the Mount Zion campus to keep it operational. Later in 2006, the State extended the seismic deadline to 2015 under certain circumstances. With that additional window, UCSF would have the necessary time to plan and raise funds. The \$200 million that were envisioned for the Mount Zion retrofit could be invested in the Mission Bay campus instead. UCSF has been encouraged by support from community for this project. Mr. Laret recalled that, in September 2006, the Regents had instructed the campus to pursue two tracks: to plan for the Mission Bay campus, acquire land, and engage architects; but to continue to plan at Mount Zion as a second resort, and to report on its plans in March 2008.

Mr. Laret then outlined UCSF's vision for the Mission Bay campus – a 289-bed hospital complex, including a 183-bed children's hospital, a 70-bed adult hospital for cancer patients, and a women's hospital. He stated that the faculty are enthusiastic about the integration of these services in the planned complex. The development at Mission Bay will also create capacity at Parnassus and will facilitate the replacement of Moffitt Hospital. The Mount Zion campus will be decommissioned as inpatient hospital and focus on outpatient services.

Mr. Laret discussed an overview of the Mission Bay campus, with an existing 43 acres, and 14-and-a-half acres to the south, to be used for the medical center. The plan for the 14-and-a-half acres includes a park, a street, and hospital construction. The final parcel was acquired in January 2007. UCSF has begun work on planning with a design team from Anshen + Allen, a San Francisco architect with international experience in hospital work. The campus has also engaged William McDonough + Partners, a leading architectural firm in sustainable design. The campus has performed extensive due diligence and has learned from other hospital projects, at UCLA, UCI, and elsewhere.

The space programming, site planning, and schematic design are complete. One important principle in this planning is flexibility. Based on its experience at Parnassus, UCSF wishes the future facility to be flexible to meet the needs of medicine in coming decades. UCSF has worked with the Office of the President on the delivery process. The campus has hired a highly qualified team, including one individual who has led Kaiser hospital construction projects, and has participated in 15 hospital projects in California.

Mr. Laret explained that he would not present a complete picture of the project. There are unresolved issues, such as the location of faculty offices, the affordability of an outpatient cancer building, and parking capacity.

The project will begin on the east side of the site, with outpatient facilities, an energy center, and connecting children's, women's and cancer hospitals. Mr. Laret identified one of the challenges of the project in the fact that there is no "back of the house"; there must be facades facing Third and Mariposa Streets, and facing the future hospital across the way. This expansion will provide a solution to the seismic problem of Moffitt Hospital.

Mr. Laret discussed an early rendering of the site, noting the location of the children's hospital and emergency department, upper level lawns, the entrance for adult services, and outpatient facilities. UCSF is seeking community approval to install a helipad at the site. Mr. Laret also pointed out the location of a possible cancer outpatient building, depending on future funding. The roofs are designed to accommodate photovoltaic cells to contribute power for the facility, which will measure almost 900,000 square feet.

Next Mr. Laret discussed the project cost estimate, \$1.265 billion in 2008 dollars, using an eight percent-per-year factor to the 2012 mid-point of construction. The cost will depend on the rate of inflation. Escalated at eight percent, with capitalized interest, the project cost will reach \$1.6 billion.

Mr. Laret briefly commented on the cost breakdown. Construction accounts for only half of the cost, including electrical installations, ventilation, and plumbing. He noted that the costs for equipment and furnishings are consistent with industry standards and costs at other UC medical centers. Escalation alone will account for \$310 million in costs. For this reason, the campus wishes to undertake the project as soon as possible, to avoid increasing costs due to inflation.

The proposed financing approach will be presented in greater detail at the May meeting. Lehman Brothers has opined that the Medical Center could carry an additional \$600 million in debt. Mr. Laret stated that the Medical Center has a robust cash flow, about \$125 million annually. UCSF could take \$30 million to \$40 million of this cash flow over seven years to contribute to this project. Half of the project financing would come from debt and retained earnings in cash. In addition, \$30 million are already held in children's hospital bonds, secured from Proposition 91. There is a children's hospital bond issue on the November 2008 ballot, which would provide another \$39 million, if it passes. UCSF will also seek State funding. Mr. Laret recalled that the State has historically provided funds for retrofitting or replacing UC hospital buildings for seismic safety, including UCLA and UCI in the late 1990s. At that time, UCSF was in a partnership with Stanford which ended, and did not seek a State allocation for the Mount Zion campus. Mr. Laret recalled that the Regents approved a major philanthropic effort for the project, between \$500 million and \$700 million, the

largest for any UC hospital. He reported that the campus has assembled a highly qualified fundraising campaign cabinet.

The project timeline is tight. In order to meet the seismic deadline, the campus needs to submit its plans to the State Office of Statewide Health Planning and Development (OSHPD) by the end of 2008. OSHPD has agreed to perform concurrent review of the project. The campus seeks to complete the project by 2014.

Mr. Laret concluded with the campus' view that this project will resolve a number of outstanding issues. UCSF will have two full campuses, and the Mount Zion campus as an outpatient hub. The next steps are discussions about the budget, a preview of the design in greater detail, and approval of the design and EIR.

Regent Garamendi requested more commentary, in the early planning stages, on the sustainability features of the project, and suggested consideration of geothermal energy for heating and air conditioning, and photovoltaic curtain walls. Mr. Laret responded that this commentary would be included in the next presentation.

Regent Brewer asked if Long Hospital is physically connected to Moffitt Hospital. Mr. Laret responded in the affirmative, but explained that Long Hospital would not have to be dismantled if Moffitt were replaced. There has been preliminary consideration of building a replacement for Moffitt on the current site of the Langley Porter Hospital, or of reducing the size of Moffitt, leaving a smaller hospital at Parnassus, and a larger one at Mission Bay.

Regent Brewer asked if the proposed hospital is the right size, ignoring financial constraints. Mr. Laret answered that, if money were not a problem, the campus might build a somewhat larger hospital, adding about 50 beds. He underscored that, with the cost per bed between \$2.5 million and \$3 million, the current project size is as large as feasible.

Committee Chair Kozberg asked if the Mount Zion campus, refitted for outpatient care, would come under the constraints of SB 1953, the Hospital Facilities Seismic Safety Act. Mr. Laret responded in the negative, explaining that SB 1953 refers only to inpatient hospital buildings, and that this use of the Mount Zion campus will save money.

Faculty Representative Croughan noted that the locations of faculty offices and parking have not yet been resolved, and acknowledged that this is a difficult issue. She looked forward to the campus' proposals.

Regent Ruiz asked what percentage of patients served at the complex will come from the Bay Area. Mr. Laret responded that this varies by type of service. Overall, about 40 percent of patients at the UCSF Medical Center are from San

Francisco; 80 percent are from San Francisco and the adjacent counties. The rest are from California, with only a small percentage, two or three percent, from out of state. The UCSF Children’s Hospital has a larger percentage of patients who come from a distance. The Children’s Hospital is a major provider of care for child cancer and cardiac disease. Many referrals come from other areas, such as the Central Valley and the North Coast. Mr. Laret anticipated that the new children’s hospital will function more as a referral hospital than a local hospital, but stressed that the emergency department will serve local children; UCSF sees this as an important part of its community responsibility.

4. APPROVAL OF MINUTES OF PREVIOUS MEETING

Upon motion duly made and seconded, the minutes of the meeting of January 15, 2008 were approved.

5. ADOPTION OF MITIGATED NEGATIVE DECLARATION AND APPROVAL OF DESIGN, HILGARD GRADUATE STUDENT HOUSING, LOS ANGELES 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:

- A. Adopt the Initial Study/Mitigated Negative Declaration.
- B. Adopt the Findings and Mitigation Monitoring Program.
- C. Approve the design of the Hilgard Graduate Student Housing project, Los Angeles 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.]

UCLA Campus Architect Jeffrey Averill explained that this project comprises 83 graduate student housing units. He described them as desirable studio units, located on the eastern edge of campus, for highly recruited graduate students. The project cost is about \$24 million. Mr. Averill pointed out that the units are located on Hilgard Avenue, in a neighborhood of sororities. Behind these buildings are multi-million-dollar single-family residences. Mr. Averill presented a slide image of existing graduate student housing in the southwest part of the campus, which serves as a stylistic reference for the current, smaller project.

Mr. Averill identified the two project sites, and described the model for the units as Los Angeles courtyard housing, with units organized around a central courtyard. He pointed out the plan for the rear yard and noted that this has been a concern for some neighbors. The campus is creating a strong landscape buffer, 10

to 15 feet wide, with plantings. There is a paved area for access and service, but not for social gatherings. There is one level of parking. The style of the project is intended to blend with the surrounding buildings.

Mr. Averill described the structure of two and three stories at the first site, 720/726 Hilgard Avenue. He then described the second project site, 824 Hilgard Avenue, which is smaller and more difficult, with four stories, although similarly organized around a southern courtyard. He pointed out the 34 foot grade change from the rear yard to Hilgard Avenue, and noted that shoring, excavation, and the retaining walls account for a fair part of the cost.

The campus is seeking UC-equivalent LEED “Silver” certification for this project. It has conducted a CEQA Initial Study and is now seeking approval of the Mitigated Negative Declaration. Mr. Averill referred to the most recent addendum, including an email message received from one of the project’s neighbors. The campus has been working with the neighbors to explain the situation and address their legitimate concerns. Mr. Averill informed the Committee that the campus will meet with the neighbors in early April and continue to communicate with them.

Committee Chair Kozberg noted that the Committee members have been provided with the environmental documentation prepared pursuant to the California Environmental Quality Act (CEQA) and with copies of all public comments received and responses prepared by the University.

Regent Brewer asked about population density at the sites before the new construction and after. Mr. Averill responded that the number of students is being reduced. The sites are currently occupied by third- and fourth-year transfer students. The current capacity of 120 beds will be reduced to 83.

Regent Bugay noted the possibility that the neighbors’ concerns might escalate and cause delays and financial loss for the University. He requested clarification on the neighbors’ position and the University’s ability to proceed with the project. Mr. Averill replied that there appears to be no serious concern about the project’s neighbors. He stated that the neighbors are supportive of the project, understand that the existing structures need to be replaced, believe that this new development will reflect well on their home values, and may prefer the presence of graduate students rather than undergraduate students. The neighbors’ recent questions have been requests for clarification on UCLA’s plans, since the Initial Study was only preliminary. The campus will continue to keep them informed to avoid future complications.

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 LAW BUILDING INFILL, BERKELEY CAMPUS

The President recommended that:

- A. The 2007-08 Budget for Capital Improvements and the Capital Improvement Program be amended as follows:

From: Berkeley: Law Building Infill – preliminary plans – \$2,600,000 to be funded from funds available to the Dean of the UC Berkeley School of Law.

To: Berkeley: Law Building Infill – preliminary plans, working drawings, construction, and equipment – \$90,000,000 to be funded from external financing (\$84,200,000) and funds available to the Dean of the UC Berkeley School of Law (\$5,800,000).

- B. The President be authorized to obtain external financing not to exceed \$84,200,000 to finance the Law Building Infill 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 this debt is outstanding, University of California Professional Degree and Master’s of Laws Fees for the Berkeley School of Law shall be established at levels to provide revenues sufficient to pay the debt service and to meet the related requirements of the proposed financing. When the Professional Degree Fee for the Berkeley School of Law is deemed sufficient to provide revenues to pay the debt service and meet the related requirements of the proposed financing on a standalone basis, the President be authorized to remove the Master’s of Laws Fees as a repayment source.

- (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.

[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 Kozberg recalled that this project was presented at the January 2008 meeting, and that the issue of professional degree fees to fund the project was thoroughly discussed.

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

7. CONSIDERATION OF ENVIRONMENTAL IMPACT REPORT ADDENDUM AND APPROVAL OF DESIGN, CAMPBELL HALL SEISMIC REPLACEMENT 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:

- A. Adopt the Findings.
- B. Approve the design, Campbell Hall Seismic Replacement Building, Berkeley 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.]

Committee Chair Kozberg noted that the Committee members have been provided with the environmental documentation prepared pursuant to the California Environmental Quality Act (CEQA) and with copies of all public comments received and responses prepared by the University.

UCB Vice Chancellor Edward Denton recalled that this project was presented as an information item at the January meeting. Campbell Hall is seismically unsafe. The new replacement building will be approximately 25 percent larger and will house the astronomy and physics departments. Mr. Denton noted that only minor changes have been made to the project, resulting from the discussion at the last meeting; there have been no material changes.

Regent Garamendi asked how sustainability is built into the project. Mr. Denton replied that the project target is LEED Silver equivalency, above the required LEED Certified equivalency, with building features such as sunshades and operable windows. In response to a question asked by Regent Garamendi, Mr. Denton doubted that it would be possible to reach LEED Gold equivalency, due to cost constraints. He recalled that this is a State-funded project.

Regent Garamendi asked how much more it would cost to achieve LEED Gold equivalency. Associate Vice Chancellor Robert Gayle responded that this might cost five to seven percent more. Regent Garamendi asked about the energy costs of the building. Mr. Denton stated that the campus considers its energy use holistically. He cited other UCB projects such as Stanley Hall, where a steam turbine is being installed to make use of excess steam to generate electricity. The campus is preparing a Request for Proposals for a solar installation in Richmond. Other opportunities include solar panels for the Helios Project and the possibility of wind turbines in the Berkeley Hills.

Regent Garamendi criticized the campus for not attempting to reach LEED Gold equivalency. He stated that State policy is to improve sustainability substantially beyond campus projects at the Silver level. He suggested that it may be possible to move the current project to the Gold level without additional costs. Committee Chair Kozberg proposed that comparative cost studies could be made with the oversight of Executive Vice President Lapp.

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

8. **PRELIMINARY REVIEW OF DESIGN, BERKELEY ART MUSEUM AND PACIFIC FILM ARCHIVE, BERKELEY 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 Denton explained that this project is the replacement of the Berkeley Art Museum and Pacific Film Archive. It will be moved to a new site in downtown Berkeley, directly across from the campus at the corner of Center and Oxford Streets. The goal for the existing building is that it be retrofitted and renovated for a more appropriate use. Center Street serves as the main route to the campus from the BART station. The West Entrance has more visitors than any other campus entrance; approximately four million visitors annually walk from BART to the campus and enter at this point. The City of Berkeley is considering making Center Street a pedestrian-only zone. The campus supports this City project, and the City supports the campus project for a new Art Museum, which will form the eastern anchor for the city's arts district; the western anchor of this arts district is the Berkeley Repertory Theatre.

Committee Chair Kozberg expressed appreciation for a February 21, 2008 letter of support for the project to the Committee from Berkeley Mayor Tom Bates.

Mr. Denton observed that the new building will join the rigidity of the city grid with the organic elements of the campus. This is an important consideration for the architect, Toyo Ito. Mr. Ito is known for projects in Japan and other countries;

this will be his first building in the U.S. An important consideration for the campus is that this building needs to be an icon for the campus and the City.

Associate Vice Chancellor Robert Gayle presented and discussed renderings of the building, beginning with an evolutionary drawing of the building's spatial and form-giving system. In order to create and connect space, the building plan departs from a rigid grid or container. It seeks to induce flowing space through an "evolving grid." Space is made by a systematic distortion of vertical planes. Rather than separating space in a conventional way, this system creates a continuous character of space and surface. On the perimeter of the building, the façade is created by truncating the three-dimensional grid.

Mr. Gayle then discussed a working model, showing the continuous surface on the exterior and interior. The building has three stories and occupies the block from Center Street to Addison Street. Mr. Gayle showed a brief video film showing movement through space in the building and how space is created, visually and physically. He pointed out the building's three-dimensional cellular structure. The building will have open spaces that face the campus on its upper level. Mr. Gayle noted that a hotel project is being developed on the other half of this city block by a private entity. In response to a question asked by Regent Allen, he explained that the site is currently occupied by a parking garage and a printing plant.

The main entrance to the building will be on Center Street. In a section view, Mr. Gayle pointed out the placement of programmatic elements on the three stories. The building will be about 65 feet tall. The campus is considering a base isolated structure, which has advantages for the building structure and for protection of the museum collections.

Mr. Gayle showed the layout for the first floor, including the main entrance and a separate lobby for the Pacific Film Archive. A separate core on the northwest side of the building will serve as a secure area and loading dock for movement of art objects. The second floor will contain the bulk of the gallery space. Mr. Gayle noted that this design will increase the academic program component of the Art Museum by providing study centers, film collections, libraries, and screening rooms. He described the terrace facing the campus, connecting to the boardroom and public event space, a separate roof garden overlooking Center Street, and office spaces.

Mr. Gayle discussed the increased capacity in the proposed building, compared to the existing building. There is increased gallery space, but the primary goal was the ability to accommodate the Pacific Film Archive, to increase the academic component, and to recognize the importance of public amenities. Mr. Gayle showed another brief video film depicting a walk from the main entrance lobby through the central circulation area of the first floor and on to the Pacific Film Archive lobby in the northeast. He concluded with a general view of the building,

with the campus West Entrance as an extension of the museum, with an outdoor sculpture garden.

Regent Ruiz asked if the campus is anticipating objections from the City on this project. Mr. Denton responded in the negative. The campus has been in communication with the City for some time, and the City has been more supportive of this project than of any other.

Regent Allen asked about how paintings would be hung on walls that are concave. Mr. Denton explained that only the corners of the walls are concave, not the center. The actual display area will be slightly larger than in the current museum. No compromises have been made with the museum's capacity. Mr. Gayle observed that the renderings overstate the curvature of the walls; the surfaces are vertical and flat. He noted that the project was challenged on this point by museum staff and board members. The museum professional staff concurs that there is no deficiency in display space for two-dimensional art.

Committee Chair Kozberg asked when the item would be brought back to the Committee. Mr. Gayle recalled that the Committee approved Preliminary Plans 14 months ago. The project is still in the Preliminary Plans phase. He anticipated that design development will be completed by the end of this calendar year. At that time a funding plan and design item will be presented for approval.

Committee Chair Kozberg inquired about the project budget process. Mr. Gayle responded that the conceptual cost model indicates a construction cost higher than anticipated earlier; it is in the range of \$100 to \$120 million. He added that this is an entirely gift-funded project.

Regent Garamendi asked if the hotel being built to the west could somehow be integrated with this project. He suggested that the hotel will overshadow the museum. Mr. Denton concurred that this is an important issue, and that this presentation will be taken to the hotel developer.

9. **PHYSICAL PLANNING AND DESIGN VISION PRESENTATION UPDATE, 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 began the presentation with a description of the physical setting of the UCSD campus. She discussed the three main areas of academic interest at UCSD: the core departments in liberal arts and sciences, the unique undergraduate college system, and the two professional schools; the health sciences, including the School of Medicine, School of Pharmacy, and the Medical Centers; the marine sciences, at the Scripps Institution of Oceanography. The campus has experienced continuous enrollment growth since its establishment in 1960. Its

academic plan emphasizes interdisciplinary collaboration, innovation, and issues of international significance. The academic plan not only encourages interdisciplinary collaboration, but influences land use plans as well. The emphasis on innovation extends beyond academics to public-oriented activities and commercialization of intellectual property. The campus addresses international issues through its graduate School of International Relations and Center for U.S.-Mexican Studies. As another example of UCSD's international impact, Chancellor Fox noted that many Scripps faculty participated in the global climate research panel that was awarded a Nobel Prize in 2007. UCSD's physical development is directed by academic, student life, and auxiliary program goals, by growth objectives, and by financial imperatives.

Associate Vice Chancellor Boone Hellmann explained that the Long Range Development Plan approved in 2004 is the campus' primary land use plan. He presented a map of the campus, indicating where development will take place. He described the 1989 Master Plan study as the guiding operative plan for the campus. This plan is environmentally based and emphasizes the development of a coherent network of open spaces. Mr. Hellmann enumerated the five principles in the Master Plan study: the Park, the Neighborhoods, the University Center as a hub of campus activity, the Academic Corridors, and Connections to give the campus an overall sense of place. He discussed how these principles are realized on the campus.

The physical development of the campus occurs through a collaborative process, directed by planning advisory committees or building advisory committees with membership from the campus community. A campus/community planning committee reviews all campus projects. Mr. Hellmann compared it to a city or county regional planning commission. In addition, projects come before the campus' design review board, which has eight academic and administrative members. Four of these are recognized peer architects and landscape architects.

Mr. Hellmann then discussed neighborhood planning studies which guide planning for sectors of the campus. These neighborhood plans include descriptions of the academic program, including future objectives; development parcels, which guide the placement of buildings and other conditions; phasing to ensure an ordered process for development; design guidelines; landscape framework and palette; sustainability objectives; and building materials and color palette.

Mr. Hellmann presented case studies, beginning with new developments in the north campus since the campus design presentation to the Committee in December 2002: the Pangea Parking Structure, completion of Eleanor Roosevelt College, expansion of the San Diego Supercomputer Center, and the Hopkins Parking Structure. He noted Phase 2 of the Rady School of Management, two housing projects under way, and the High Point Wedge open space in this part of the campus.

Next Mr. Hellmann discussed the University Center area of the campus, and the development of the Student Services Center and Matthews Quad. He noted the final stages of the Price Center expansion, the current construction of the new music building, and two important pedestrian areas. In the School of Medicine neighborhood, he described the development of the Leichtag Biomedical Research Facility, an open space in place of an earlier parking lot, the biomedical library, and the pharmaceutical sciences building.

Mr. Hellmann presented a short videotaped statement by Alain Cohen, professor of literature and member of the campus/community planning committee. Professor Cohen praised the campus' inclusion of landscaping in its planning, its successful integration of buildings and nature, and its extraordinary color coordination.

Mr. Hellmann concluded with remarks on the design of paths and open spaces and the campus' efforts to create a sense of place, with what he identified as three essential elements: environment, community, and experience. He presented images of different kinds of designed spaces at UCSD: contemplative spaces for students, residential spaces, social spaces, and transitional spaces. He cited the Jacobs School of Engineering as a success story, where three building architects have worked with a landscape architect to create a quadrangle and unique space. Mr. Hellmann presented a short videotaped statement by student Jamie Intervalo, who praised the small, intimate spaces of the campus, which help students relax and take a break from academic pressures.

Vice Chancellor Gary Matthews discussed the campus' short- and long-term sustainability goals. In 2006-2007, UCSD accounted for about one-third, or 32 percent, of UC's sustainable energy production. The campus purchases about 17 percent of its utilities from renewable sources; its goal is to increase this to 24 percent, which should surpass current UC goals for 2010.

UCSD is the first university to join the Green Grid collaborative, the first campus on the West Coast to join the Chicago Climate Exchange, and the first California university to be recognized by the California Climate Action Registry as a climate action leader. The campus has won a number of awards for its sustainability program. During the Southern California wildfires in October 2007, the campus was able to reduce its own energy consumption and supply the local power grid with about four megawatts for four hours, enough electricity for 4,000 homes. UCSD's design helped to sustain the community.

Mr. Matthews informed the Committee that UCSD has been able to increase its energy-intensive activities while decreasing consumption through the construction and design of new facilities. The campus has increased its square footage but reduced BTUs (British thermal units) per square foot. Mr. Matthews discussed the campus' vision for alternative transportation. He noted that about

52,000 people are on campus on any given day. The campus operates shuttle buses, and is converting to compressed natural gas for this fleet. The use of biodiesel fuel is being explored by an interdisciplinary study group including students. UCSD is reducing single-occupancy vehicle usage from about 54 percent to 45 percent, working with the metropolitan transit system to provide free bus passes for faculty, students, and staff. This will reduce single-occupancy vehicle trips to campus, reduce emissions, and strengthen the municipal transit system.

Mr. Matthews observed that campus data centers are among the greatest consumers of electricity. In collaboration with the School of Engineering and private industry, UCSD is installing the first of a series of cyberinfrastructures to consolidate computing servers across the campus. The campus is currently participating in a lighting retrofit program. Over the last ten years, UCSD has made use of approximately \$12 million in incentive monies through the local utility, San Diego Gas & Electric, in partnership with the California State University.

Photovoltaic installations have been put in place at the Jacobs School of Engineering and the Rady School of Management. Mr. Matthews underscored the role of students in these developments; they insisted on solar power for the Rady School of Management. He reported that UCSD signed an agreement last week to install one megawatt of solar electrical power on campus, to be operational by January 2009. This installation will be a third-party program. The campus will buy utilities directly from the company, at a lower cost than from the local investor-owned utility.

Mr. Matthews briefly discussed future energy projects at UCSD. One short-term project envisions the use of ultra-clean fuel cells. The campus is attempting to use waste methane gas now disposed of by a local sewage treatment plant. The methane will be captured and used in a fuel cell. There is a possibility of building a one-megawatt plant on the campus for this purpose. UCSD is in negotiations with a company and the Public Utilities Commission to see if the capacity could be raised to two megawatts. This is a renewable energy source that has not been tapped before. UCSD is also exploring an experimental design for the use of ocean water to provide cooling. Mr. Matthews noted installations of this kind on Bora Bora (French Polynesia) and in Hawaii, and a freshwater installation at Cornell University. This second project takes advantage of the faculty at the Scripps Institution of Oceanography and of UCSD's physical location.

Mr. Matthews concluded by noting UCSD's goal to become a waste free campus by 2020; he anticipated that UCSD will achieve about 50 percent waste diversion by summer of this year. The campus is committed to sustainability, will use whatever public funds are available, and will leverage its scientific expertise in pursuit of this goal. Chancellor Fox noted the partnerships with industry, so that not all investment is the University's; the benefits are shared.

Regent Garamendi thanked the San Diego campus for its leadership on sustainability. He cited concerns of the California Ocean Protection Council, expressed at a recent meeting, about the runoff of detrimental materials into the ocean. He requested a discussion with UCSD about their storm drainage systems. He also noted that there will be a carbon trading mechanism in California in a few years, and asked what UCSD is doing to capture potential revenue from its early actions. On the second question, Mr. Matthews responded that UCSD has negotiated with the provider of its photovoltaic installation that carbon credits will revert to the campus within four years. Chancellor Fox recalled that UCSD is part of the Chicago Climate Exchange and is setting up a structure to capture this revenue.

Regent Garamendi commended UCSD for its project to build a one-megawatt power plant and stated that the Regents should take up the issue of the one-megawatt limitation with the Public Utilities Commission. He opined that other campuses should replicate this project and take advantage of the 30 percent federal credit. He expressed optimism about the UCSD marine thermal program and its potential.

10. **REGENTS' STATEMENT ON UNIVERSITY OF CALIFORNIA SUSTAINABILITY PROGRAMS**

Regent Allen recommended adoption of the following statement that the Regents:

- A. Congratulate those involved with sustainability efforts at the campus and systemwide levels.
- B. Take note of the November 2007 deadline in the American College & University Presidents Climate Commitment for forming an institutional structure, and encourage each of the campuses to form Climate Action Steering Committees perhaps using Berkeley's model.
- C. Support the UC Sustainability Steering Committee's plan to add a section on sustainable food practices to the UC Policy on Sustainable Practices and ask that updates on the progress of sustainable food practices be incorporated in the annual sustainability report to the Regents.
- D. Urge that the Office of the President strongly consider replacing the existing structure of internal certification of sustainable buildings with third-party LEED Certification from the U.S. Green Building Council. In keeping with the history of UC's national leadership in environmentally friendly practices, we urge campuses to aspire to build new construction projects with LEED Gold-level certification or equivalency. We also urge that the Office of the President and campuses work with the U.S. Green

Building Council to develop a streamlined LEED program that minimizes costs of certification.

- E. Ask campuses to highlight (in their project design proposals) energy-efficiency and carbon emissions reduction features that exceed the current Sustainability Policy goal to outperform Title 24 by 20 percent.
- F. Urge the campuses to pursue renewable energy projects using such instruments as third-party solar power purchase agreements, similar to the agreement recently announced by UC Irvine.
- G. Encourage the UC system to publicize its many awards for environmental stewardship, so as to inform and inspire our state's citizens and government.

[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 Kozberg complimented Regent Allen for his work on this consensus action item.

Regent Allen underscored the role students have played in making the University a leader in sustainability and the potential for significant financial savings through the use of alternative energy sources. He observed that the language of the Statement is not prescriptive, but supportive of efforts that are in planning or under way in the UC system. Regent Allen summarized the Statement, which he described as a response to the annual report on UC Sustainability Policy, presented at the January meeting.

Regent Bugay requested clarification of the section of the Statement concerning sustainable food practices. Regent Allen recalled that the Sustainability Steering Committee approved the formation of a Food Systems Working Group, to oversee development of policy guidelines for the procurement of sustainably produced food. UCB and UCSC have made local organic dining options available to students, which have proved popular, in spite of higher cost. This section of the Statement supports the UC Sustainability Steering Committee's plan to add a section on sustainable food practices to the UC Sustainability Policy.

Regent Bugay asked if this part of the Statement is a policy mandate that might tie administrators' hands regarding existing food practices on the campuses. Regent Allen responded that this is not the case; the Statement offers additional choices to campuses.

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

11. ACCEPTANCE OF THE REPORT OF THE CAPITAL PROJECTS WORKING GROUP AND APPROVAL OF PILOT PHASE OF PROCESS REDESIGN FOR CAPITAL IMPROVEMENT PROJECTS

The President recommended:

- A. Acceptance of the report of the Capital Projects Working Group.
- B. Approval of a “pilot phase” of the process redesign for approving capital improvement projects, within the context of the report of the Capital Projects Working Group. As part of the pilot phase, it is recommended that the Executive Vice President—Business Operations establish a committee to oversee the pilot phase and report back to the Committee on Grounds and Buildings prior to consideration of final implementation of the process redesign.

[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 Kozberg referred to the February 26 special meeting of the Committee regarding this item, to the work done by UCI Vice Chancellor Brase, Executive Vice President Lapp, and representatives of the Monitor Group, and to the oversight provided by Regent Schilling. She noted that there has been further discussion and refinement of the proposal.

Executive Vice President Lapp requested further direction from the Committee on the monetary threshold issue.

Monitor Group representative Jim Hollingshead stated that the monetary threshold is the one material change in the proposal since the special meeting of the Committee. He noted that all feedback received from the Committee has been taken into account. He recalled that the Capital Projects Working Group was left with the charge of determining the appropriate dollar level or threshold for “delegated projects.” He discussed a chart showing distribution of 2008-09 capital projects, based on total budget. The Working Group recommends that the pilot threshold be set at \$60 million as a total budget, rather than the \$40 million threshold discussed earlier.

Vice Chancellor Brase described the Working Group’s outlook as prospective rather than historic, examining projects in the pipeline and determining how many would undergo the streamlined process if a budget cap were set at \$40 million. He recalled the Committee’s stated desire for an evaluation process during the initial year of the new process, and opined that a \$40 million threshold would be too low to allow enough projects through for evaluation. The proposed \$60 million threshold will provide an ample number of projects. Mr. Brase

recalled that there are four other factors which can move a project back to the “non-delegated” regular process.

Regent Ruiz asked about review of the process and feedback to the Regents.

Ms. Lapp responded that the item provides for creation of an implementation committee, which she will chair, with representatives from campuses and the Office of the President. This committee will advise the Regents regularly on progress during the 18 months of the pilot project and provide a full and thorough analysis at the end of that period. In response to Regent Ruiz’s question, she confirmed that this would be an agenda item at a regular Committee meeting.

Committee Chair Kozberg stated that the Committee will take the necessary time to analyze the process and ensure accountability. She expressed concern about capture of information, and that information be available and accessible.

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

The meeting adjourned at 1:50 p.m.

Attest:

Secretary and Chief of Staff