

The Regents of the University of California

COMMITTEE ON GROUNDS AND BUILDINGS

March 17, 2009

The Committee on Grounds and Buildings met on the above date at the Commons, Riverside Campus.

Members present: Regents Cole, Johnson, Reiss, Ruiz, Schilling, and Shewmake; Advisory member Bernal

In attendance: Regents-designate Nunn Gorman and Stovitz, Faculty Representative Croughan, Secretary and Chief of Staff Griffiths, Associate Secretary Shaw, General Counsel Robinson, Chief Compliance and Audit Officer Vacca, Interim Provost Pitts, Executive Vice Presidents Darling and Lapp, Senior Vice President Stobo, Vice President Sakaki, Chancellors Block, Blumenthal, Fox, Kang, and Vanderhoef, and Recording Secretary Johns

The meeting convened at 2:45 p.m. with Committee Chair Schilling presiding.

1. **PUBLIC COMMENT**

There were no speakers wishing to address the Committee.

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

Upon motion duly made and seconded, the minutes of the joint meeting of the Committees on Grounds and Buildings and Finance of February 5, 2009 were approved.

3. **CONSENT AGENDA**

A. *Delegation of the Project Checklist for Implementation of the Pilot Phase of the Redesigned Process for Capital Projects*

The President recommended that he be delegated authority to develop a project checklist for use in the implementation of the Pilot Phase of the Redesigned Process for capital projects.

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

The President recommended that:

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

From: Systemwide: 2009-2011 Statewide Energy Partnership Program projects – preliminary plans – not to exceed \$2.0 million.

To: Systemwide: 2009-2011 Statewide Energy Partnership Program – preliminary plans, working drawings, construction, equipment – \$247,367,204 to be funded from external financing (\$178,018,202), campus funds (\$7,916,946), and energy efficiency incentive payments from investor-owned and publicly-owned utilities (\$61,432,056).

Deletions shown by strike out; additions by underscore

(2) The President be authorized to obtain external financing not to exceed ~~\$2,000,000~~ \$178,018,202 to finance the 2009-2011 Statewide Energy Partnership Program. The President requires that:

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;~~

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, the following fund sources: State operating funds (as provided for under terms set forth in Provision 2 of Item 6440-001-0001 of Section 2.00 of the 2008 Budget Act), housing reserves, hospital reserves, athletics reserves, recreational sports reserves, parking reserves, student fee revenues, Garamendi Funds, University Health System revenues, and ASUC and other auxiliary revenues 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 President be authorized to obtain standby financing not to exceed \$60,032,749 to finance the 2009-2011 Strategic Energy Partnership and subject to the following conditions:

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

b. Repayment of the standby financing shall be from energy efficiency incentive payments from investor-owned and publicly-owned utilities; in the event that collection is insufficient, the debt

service to be paid by each campus and medical center will be from one or more of the following fund sources: State operating funds (as provided for under terms set forth in Provision 2 of Item 6440-001-0001 of Section 2.00 of the 2008 Budget Act), housing reserves, hospital reserves, athletics reserves, recreational sports reserves, parking reserves, student fee revenues, Garamendi Funds, University Health System revenues, and ASUC and other auxiliary revenues.

c. The general credit of the Regents shall not be pledged.

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

C. *Amendment of the Budget for Capital Improvements and the Capital Improvement Program and Approval of External Financing, East Campus Infill Housing, 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: East Campus Infill Housing – preliminary plans, working drawings, and construction – \$131,671,000, to be funded from housing reserves (\$7,000,000) and external financing (\$124,671,000).

(2) The President be authorized to obtain external financing not to exceed \$124,671,000 to finance the *East Campus Infill Housing* project. The President requires 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 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 execute all documents necessary in connection with the above.

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

The President recommended that:

- (1) The 2008-2009 Budget for Capital Improvements and the Capital Improvement Program be amended to include the following project:

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

To: San Diego: Health Sciences Biomedical Research Facility 2 – preliminary plans, working drawings, construction, and equipment \$150,890,000 to be funded from external financing (\$146,890,000) and campus funds (\$4,000,000).

- (2) The President be authorized to obtain external financing not to exceed \$146,890,000 to finance the Health Sciences Biomedical Research Facility 2 project. The President requires 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, the San Diego campus' share of the University Opportunity and Education Funds 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.

E. ***Amendment of the Budget for Capital Improvements and the Capital Improvement Program and Approval of External Financing, Marine Ecosystem Sensing, Observation, and Modeling Laboratory, San Diego 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:

San Diego: Marine Ecosystem Sensing, Observation, and Modeling Laboratory – preliminary plans, working drawings, construction, and equipment – \$25,933,000, to be funded

from external financing (\$10,500,000), federal grant funding (\$11,998,000), and campus funds (\$3,435,000).

- (2) The President to be authorized to obtain external financing not to exceed \$10,500,000 to finance the Marine Ecosystem Sensing, Observation, and Modeling Laboratory project. The President requires 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, the San Diego campus' share of the University Opportunity and Education Funds 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.

F. *Adoption of Mitigated Negative Declaration and Approval of Design, Revelle College Apartments, San Diego Campus*

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

- (1) Adopt the Initial Study/Mitigated Negative Declaration.
- (2) Adopt the Findings and Mitigation Monitoring and Reporting Program.
- (3) Approve the design of the Revelle College Apartments, San Diego campus.

G. *Certification of Environmental Impact Report and Approval of Design, North Campus Housing – Phase 2, 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 Findings and Mitigation Monitoring and Reporting Program.
- (3) Approve the design of the North Campus Housing – Phase 2, San Diego campus

H. *Adoption of Mitigated Negative Declaration and Approval of Design, Davidson Library Addition and Renewal, Santa Barbara Campus*

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

- (1) Adopt the Mitigated Negative Declaration.
- (2) Adopt the Findings and Mitigation Monitoring Program.
- (3) Approve the design of the Davidson Library Addition and Renewal, Santa Barbara 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 Schilling noted that for each item on the consent agenda, the Committee members had been provided with environmental documentation prepared pursuant to the California Environmental Quality Act as well as with copies of all public comments received and responses prepared by the University. The members of the Committee reviewed and considered all of the documents and comments, and balanced the specific benefits of each project against any unavoidable adverse environmental effects.

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

4. **CERTIFICATION OF ENVIRONMENTAL IMPACT REPORT AND APPROVAL OF THE 2009 LONG RANGE DEVELOPMENT PLAN, MERCED CAMPUS**

The President recommended that, upon review and consideration of the Environmental Impact Report, the Regents:

- A. Certify the Environmental Impact Report for the Merced Campus 2009 Long Range Development Plan.
- B. Adopt the Findings pursuant to the California Environmental Quality Act.
- C. Adopt the Statement of Overriding Considerations included in the Findings.
- D. Adopt the Mitigation Monitoring Program for the 2009 Long Range Development Plan.
- E. Adopt the 2009 Long Range Development Plan, Merced 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.]

[Regents were provided with a Memorandum from the Office of General Counsel in response to a letter received by the Merced campus regarding this item.]

Committee Chair Schilling noted that for this item, the Committee members had been provided with environmental documentation prepared pursuant to the California Environmental Quality Act as well as with copies of all public comments received and responses prepared by the University. The members of the Committee reviewed and considered all of the documents and comments, and balanced the specific benefits of the project against any unavoidable adverse environmental effects.

Chancellor Kang introduced Associate Vice Chancellor and Campus Architect Thomas Lollini. Mr. Lollini opened his remarks by reminding the Regents that they had seen elements of the UC Merced plan periodically during the course of its development and that the plan incorporates both the current 104-acre campus as well as the total 815-acre total campus site. Also included in the planning and permit process is the northern adjacent community, which is under joint ownership of the University and the Virginia Smith Trust; the southern community will be part of a separate planning effort by private entities. Mr. Lollini informed the Regents that the planning process had enabled the campus to be adjacent to nearly 30,000 acres of conservation easements, comprising a vast expanse of vernal pool grasslands.

Mr. Lollini explained that the geography and environment of the campus site were intrinsic to the design plan. Its dramatically sloping topography, lakeside breezes, substantial irrigation canals, and large topographical depressions were considered during the design phase, as was the fact that the Merced area averages 320 days of sun a year. Also fundamental to the campus design are policies and practices associated with renewable energy and sustainable design. Mr. Lollini highlighted transportation as one key environmentally-sustainable factor; the campus was deliberately developed with a ten-minute walking radius in the core, and only a short, 20-minute bicycle ride is required to get from its southernmost to its northernmost community.

The campus site is organized with student neighborhoods encircling its perimeter, above the academic core. The core is traversed by two mixed-use main streets that include student housing. The academic core will have direct regional transit access, and a gateway area on the edge of campus will serve as a research and development district. Mr. Lollini explained that the campus land use is essentially quartered, with approximately 25 percent devoted to academic use, 25 percent to student neighborhoods, 25 percent distributed between athletics, recreation, and passive open space, and the remaining quarter used for parking and other campus support functions.

Mr. Lollini informed the Regents about the ambitious sustainability goals incorporated in the plan. The Merced campus has established zero net energy, zero waste, and zero net emissions goals for 2020; the intent is that all UCM energy will come from renewable

sources, all waste will be diverted from landfills, and that the campus will be carbon-neutral by 2020. The campus has already achieved a Leadership in Energy and Environmental Design (LEED) Gold standard rating on four of its buildings and hopes to achieve up to nine LEED Gold buildings and three LEED Silver buildings within the first round of development. Mr. Lollini pointed out that the emphasis on sustainability has resulted in UCM consuming less than half of the energy that a campus its size would under normal building standards, and about 40 percent less water. The campus has a climate action plan, and all of its policies and practices will meet or exceed greenhouse gas standards. Mr. Lollini emphasized the importance of water in the Central Valley and noted that the plans include policies aimed at achieving water neutrality as soon as possible. The Merced campus' current water supply comes from a major city well that was developed at the opening of the campus.

Campus thoroughfares are designed to encourage bicycles, pedestrians, and mass transit; the principal loop on the perimeter will serve vehicle traffic and will help keep the center of the campus automobile-free. Formal and informal open spaces play a role in the campus' storm water management system as well as serve as passive recreational space. Mr. Lollini explained that the emerging design principles are built around local materials and highlight simple forms derived from the region. Sustainable systems and practices are integrated into the external and interior design of the buildings. The campus intends to take advantage of arcades and porticos between buildings and the outdoors so that students can be comfortable outside throughout the year.

Mr. Lollini displayed sketches of the proposed campus layout after completion as seen from various vantage points. He highlighted elements of the design, such as the vista of the Sierras, the campus' central park, and a combined commercial, residential, and academic zone. He also presented the phasing stages of the plan and their correlation to enrollment projections for 5,000, 10,000, and ultimately 25,000 students. Mr. Lollini remarked that the first project to begin will be the one-megawatt solar photovoltaic facility that is being built through a third-party utility purchase agreement. The facility will yield one megawatt of power, which will serve 60 percent of peak load and about 20 percent of UCM's annual electrical load. He said that the campus is hoping to install a 15- to 20-megawatt facility on the far side of campus in later years.

Mr. Lollini observed that the primary environmental consequence of the plan would be increased traffic. The campus is being built for a projected enrollment of 25,000 students and it is 5.5 miles from the center of town; this development will significantly affect the local traffic system and UC Merced has committed to fulfill its responsibilities in the development of necessary infrastructure. While the construction will have environmental implications for the wetlands, Mr. Lollini stressed that the effects have been reduced significantly compared to earlier footprint studies and the 2002 Long Range Development Plan. In addition, the campus will work in partnership with the County and City in the development and utilization of recreational resources.

Regent Ruiz expressed concern regarding the number of "significant, unavoidable impacts" noted in the Environmental Impact Report for the campus plan. Mr. Lollini

explained that the report includes a cumulative analysis of the development of the campus community, which is a potential population of over 30,000 people, combined with growth projections for the city of Merced, which are estimated to reach between 80,000 to 240,000 residents in the next 25 to 30 years. Developments of this magnitude will have, by necessity, significant and unavoidable effects in areas where water, roads and other infrastructure are currently unable to meet the anticipated demand. Senior Counsel Gunther added that the language came directly from the California Environmental Quality Act (CEQA), wherein projects must be categorized as having either “significant impact” or “less than significant impact.” Citing the example of particulate matter – dust – arising from construction, Ms. Gunther explained that some consequences of campus development could not be eliminated altogether. Accordingly, the University created a report in which it detailed all efforts to mitigate the negative effects, acknowledging that ultimately some particulate matter will be added to the already polluted air in the Central Valley. In that case, the law requires that the University characterize it as “a significant and unavoidable impact.” Some adverse outcomes, such as the effect on the wetlands, have been fully mitigated; however others, such as the loss of agricultural resources, cannot be. In Ms. Gunther’s experience with projects of this size, UC Merced does not have a large number of “significant and unavoidable impacts.”

Regent Reiss asked if the campus had communicated with the local government about these negative effects and if the City and County were supportive of the plan. She also sought more information on the projected repercussions of diminished air quality and asked if the campus had received any communications from the regional Air Resources Board. Mr. Lollini assured the Regents that the City, County, and the majority of Merced residents are very supportive of campus development. He also offered that innovative aspects of the development, such as the solar project, provide significant opportunities to showcase development in the Central Valley and provide economic stimulus to the local community. UCM will be working with the City to determine how to best achieve and finance urban services and the development of infrastructure. Ms. Gunther elaborated that the plan incorporates all of the measures that both the local and the State Air Resources Boards would expect to see, and in many instances, goes beyond their expectations. Ms. Gunther noted that there are few elements of the plan that the Air Resources Board would be involved in from a regulatory standpoint, but that she believed that the Board would, from a policy standpoint, support this type of development with these types of remedial measures in place.

Regent Reiss mentioned that the Regents had just been provided a letter from an attorney regarding greenhouse gas issues. She complimented UC Merced on its compliance with the AB 32 Scoping Plan, which currently is the only source of guidance for such issues in California.

Regent Johnson also complimented the campus on its diligent work with the City and County, and questioned Mr. Lollini regarding the eventual plan for the solar project. Mr. Lollini explained that the campus had entered a long-term power purchase agreement with Sun Power, and provided the Section 404 permit is granted, Sun Power would begin

work on the one-megawatt facility this summer. He added that the facility also takes advantage of the recent incentive program offered by the State and by the Pacific Gas and Electric Company. The one-megawatt facility will provide UCM with up to 60 percent of its peak power and up to 20 percent of its annual power needs by the end of the year. Mr. Lollini added that two of the projects that had been brought to the Regents for design approval will each have approximately a half-acre of space on their rooftops for future installation of photovoltaic power systems. He remarked that the campus is also working on another building design that might have photovoltaic systems integrated into its exterior surfaces. He noted the potential to develop a large, 15- to 20-megawatt facility on or near the campus that could serve the larger community in the near term, and ultimately serve the power needs of the campus once it is fully developed. He observed that a number of solar projects of a similar nature are under way in southeastern California, but those facilities are less than optimal because they are very distant from urbanized areas; the UC Merced project would be directly adjacent to a developed urban area.

General Counsel Robinson noted for the record that the Regents received a late comment from Ms. Marsha A. Burch dated March 16, 2009, and that his office had responded in a memorandum dated March 17, 2009; with that, the Regents had responded to all comments that had been received with respect to the project.

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

5. **CERTIFICATION OF ENVIRONMENTAL IMPACT REPORT, AMENDMENT OF LONG RANGE DEVELOPMENT PLAN, AND APPROVAL OF DESIGN, NORTHWEST CAMPUS STUDENT HOUSING INFILL PROJECT, LOS ANGELES CAMPUS**

The President recommended that, upon review and consideration of the Environmental Impact Report, the Regents:

- A. Certify the Environmental Impact Report for the 2008 Northwest Housing Infill Project and Long Range Development Plan Amendment.
- B. Adopt the Mitigation Monitoring Program for the proposed project (2008 Northwest Housing Infill Project and Long Range Development Plan Amendment).
- C. Adopt the Findings pursuant to the California Environmental Quality Act and adopt the Statement of Overriding Considerations included in the Findings.
- D. Amend the UCLA 2002 Long Range Development Plan (LRDP), Chapter 3, to reflect campus-wide existing square footage and development allocations as follows:

- (1) Revise the UCLA 2002 LRDP, Appendix B, Tables *List of Buildings*, and *Campus Buildings Total GSF By Zone*, to reflect 2008 conditions and update existing campus baseline square footage to 16,836,004.
 - (2) Revise Table 8, *Proposed Development Re-allocation by LRDP Zone*, to reflect the total remaining development allocation (1,320,615 gsf without the Project; 1,870,615 gsf assuming the proposed Project is approved) for all campus zones combined under the 2002 LRDP, as proposed for amendment by this Item.
 - (3) Revise Table 15, *Northwest Zone Existing and Proposed Development*, to add 550,000 gsf to accommodate the 2008 Northwest Campus Student Housing Infill Project (2008 NHIP) and to reflect the total development (3,305,079 gsf), existing/under construction (2,651,079 gsf), and remaining development allocation in the Northwest Zone before (654,000 gsf) and after (104,000 gsf) implementation of the proposed 2008 NHIP.
 - (4) Revise Table 11, *Campus Services Zone Existing and Proposed Development*, to reflect the total development (431,072 gsf), existing/under construction (420,072 gsf), and remaining development allocation (11,000 gsf) in the Campus Services Zone.
 - (5) Revise Table 13, *Core Campus Existing and Proposed Development*, to reflect the total development (7,382,867 gsf), existing/under construction (7,077,702 gsf), and remaining development allocation (305,165 gsf) in the Core Campus Zone.
 - (6) Revise Table 14, *Health Sciences Zone Existing and Proposed Development*, to reflect the total development (4,568,653 gsf), existing/under construction (4,294,503 gsf), and remaining development allocation (274,105 gsf) in the Health Sciences Zone.
 - (7) Revise Table 16, *Southwest Zone Existing and Proposed Development*, to reflect the total development (1,550,217 gsf), existing/under construction (1,103,917 gsf), and remaining development allocation (446,300 gsf) in the Southwest Zone.
- E. Amend the UCLA 2002 LRDP, Table 6, *Regular Session On-Campus Population*, to increase the projected campus population (students, faculty and staff) by 2,780 to reflect a new LRDP planning horizon of 2013 (from 2010-11) and the anticipated completion date of the 2008 NHIP.
- F. Approve the design of the 2008 Northwest Campus Student Housing Infill 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.]

Regent Schilling noted that for this item, the Committee members had been provided with environmental documentation prepared pursuant to the California Environmental Quality Act as well as with copies of all public comments received and responses prepared by the University. The members of the Committee reviewed and considered all of the documents and comments, and balanced the specific benefits of the project against any unavoidable adverse environmental effects.

Vice Chancellor Olsen reminded the Regents that this was UCLA's third visit to the Committee with the project; the first presentation had been for approval of the planning phase, and the second was for approval of the budget and external financing. At this time, the campus was seeking the Regents' approval for the project design and for certification of its Environmental Impact Report, which included mitigation monitoring, and a statement of overriding considerations. The campus also sought approval for an amendment to its 2002 Long Range Development Plan (LRDP), in order to reflect 2008 conditions, to update space allocations, and to establish a new planning horizon of 2013 for the campus.

Mr. Olsen remarked that the project under advisement is an important component of UCLA's student housing master plan for 2007-2017. Specifically, the campus aims to have the ability to guarantee four years of housing for incoming freshmen, and two years of housing for incoming transfer students. The master plan goal is to house 12,500 undergraduates on campus; last year UCLA housed approximately 10,350 students. Mr. Olsen explained that this project would significantly close the gap between current campus housing capabilities and the 2017 master plan goal. The project provides approximately 1,500 new beds, representing around 500,000 gross square feet of new construction in four mid-rise residence halls. A fifth building, which is a commons facility containing dining facilities, meeting rooms, a fitness center, and other support functions, would also be incorporated. Mr. Olsen pointed out that the project is designed to achieve a Leadership in Energy and Environmental Design (LEED) Silver rating upon completion, and that its budget is \$375 million; the budget had been previously approved by the Regents to be financed largely with external debt.

With regard to the changes to the LRDP, Mr. Olsen explained that additional student housing was not anticipated in the 2002 amendment; in addition, the square footage identified in the 2002 plan was artificially low in response to an anticipated demolition of significant portions of the Center for the Health Sciences following completion of the Ronald Reagan Medical Center. UCLA has radically changed its approach as part of its overall seismic strategy, and now intends to retain the original hospital. As a result of this amendment, and assuming the proposed addition of 550,000 gross square feet to the northwest zone of the campus where this project would be built, the remaining development allocation for the campus would be approximately 1.8 million gross square feet. While this changes the square footage under the Long Range Development Plan, the

targets and limits established for vehicle trips and parking are unchanged from the original 1990 LRDP.

Jeff Averill, Campus Architect, provided detail on Mr. Olsen’s presentation. He observed that the project consists of 1,511 beds for undergraduate housing, as well as ten faculty apartments, a large dining hall, meeting facilities, a fitness center, and sport facilities, for a total of 500,000 square feet. The site plan places the project in the northwest zone of the campus, just above Drake Stadium and across the main axis of campus, the Royce-Powell quadrangle. Mr. Averill noted that the campus had few sites from which to choose because available land for such a large project is scarce. He presented a diagram showing the placement of the new residence halls, showing two – the De Neve Buildings – along De Neve Drive and Gayley Avenue, and two next to Sproul Hall. Mr. Averill pointed out that the residential buildings would be arranged to maximize views and daylight while minimizing solar heat gain by orienting the primary sides to the north and south. In addition to the buildings, the project includes extensive site work, such as infrastructure, reconfigured pathways, and landscaping. Mr. Averill showed a series of depictions of the residence hall interiors and highlighted several key elements of their design. Mr. Averill further informed the Regents that a small number of faculty apartments would be incorporated into the residence halls.

In continuing his presentation, Mr. Averill showed a detailed sequence of illustrations showing several aspects of the commons building, including a meeting center, a 750-seat dining room, kitchen areas, small meeting rooms, and a raised courtyard. He pointed out that the new structure will actually serve as an addition to the existing Sproul Hall, and that one loading dock will serve the entire complex. A number of environmentally sustainable building measures will be incorporated, including storm water retention systems, water-efficient plumbing fixtures and irrigation, and roof-mounted solar panels for domestic water heating. Furthermore, housing students on campus, as opposed to off campus, results in a considerable reduction in vehicle trips and emissions.

Mr. Averill closed his remarks by underscoring UCLA’s compliance with the California Environmental Quality Act (CEQA), and that the campus was seeking approval for an amendment to its LRDP, with the addition of 550,000 square feet, as well as an extension of its timeline to 2013. He noted that during the Environmental Impact Report (EIR) process, the campus had received a total of eight comment letters from agencies and community members, and that they were responded to in the final EIR.

Regent Johnson commented that the campus was making good use of available land. She sought clarification as to the design of the residence halls as either dormitory style or apartment style. Mr. Averill responded that the student housing was dormitory style and that the few apartments in the structures would be for faculty.

Regent Reiss expressed a broader concern regarding the Committee’s fiduciary responsibilities. She noted that many of the University’s multi-million dollar projects rely upon external financing, and result in debt service. She requested that future proposals include a list of the total debt service on each campus, what streams of revenue are being

used to pay for the existing debt service, and the provisions being made for future debt. Executive Vice President Lapp replied that her office could provide a briefing for each campus.

Regent Reiss complimented UCLA on its mitigation efforts and asked if the construction might incur any fines during its peak periods. Mr. Averill acknowledged that there would be particulate matter generated as a result of the project, which was typical for any undertaking of its size. The campus would mitigate the situation by spraying areas with water.

Regent Reiss then requested clarification regarding the meaning of guaranteed housing for designated students such as emancipated foster youth and Regents scholars. She asked if the students were guaranteed a lower cost for their housing. Mr. Olsen answered that those students were guaranteed a bed. He elaborated that individual students may qualify for financial aid as part of their overall package, which would include the cost of residing on-campus, but that aid is part of a separate process.

Regent-designate Bernal recalled that when he lived in the residence halls, integrated housing between faculty and students had just been initiated, and did not exist to the degree proposed by UCLA. He asked if the faculty were excited about being incorporated into the residence hall experience. Mr. Olsen affirmed that the campus has experienced significant faculty demand for the integrated facilities, and faculty apartments have become a standard feature in the design of new residence halls. Mr. Averill added that the extremely high cost of housing in the West Los Angeles area makes the prospect of free on-campus living quite appealing to faculty.

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

6. PRELIMINARY REVIEW OF DESIGN, NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION LA JOLLA LABORATORY REPLACEMENT, SAN DIEGO CAMPUS

Chancellor Fox introduced the proposed replacement building for the Southwest Fisheries Science Center, which addresses substantial ground stability concerns.

Vice Chancellor Matthews informed the Regents that the La Jolla Laboratory replacement project will be situated on an undeveloped 3.3-acre site located in the Scripps Institution of Oceanography neighborhood at UC San Diego. The new facility will replace the existing National Oceanic and Atmospheric Administration (NOAA) Southwest Fisheries Science Center, which is experiencing significant coastal bluff erosion. The structure would be located directly opposite the existing NOAA facility, and would be constructed by the federal government, utilizing the traditional design, bid, and build delivery system; the site itself would be provided by UCSD via a long-term ground lease. Mr. Matthews pointed out that the proximity of the existing NOAA facility to the Scripps Institution has fostered synergistic interactions between the two institutions for

over 50 years. This collaboration, in turn, has enabled the Scripps Institution to better fulfill its mission, which is to seek, teach, and communicate scientific understanding of the oceans, atmosphere, earth, and other planets for the benefit of society and the environment. Direct benefits of their partnership include an extensive list of joint research projects and publications, financial support for Scripps Institution graduate students, and the inclusion of many NOAA scientists as adjunct faculty who teach and advise Scripps students. Mr. Matthews noted that the annual NOAA support to campus programs is valued at over \$6.5 million.

Associate Vice Chancellor Hellmann remarked that the project would be managed by NOAA, that it would encompass 214,000 gross square feet, and that it would achieve a Leadership in Energy and Environmental Design (LEED) Silver rating. Mr. Hellmann provided detail about the location of the facility and informed the Regents that it is in conformance with campus' 2004 Long Range Development Plan and the 1989 master plan. Similarly, it conforms to the Scripps Institution of Oceanography hillside planning study and has panoramic views to the Pacific Ocean. Mr. Hellmann discussed a series of slides of the proposed facility and its relationship to the campus. He explained that the new structure would echo the look and materials of the Scripps Institution, utilizing a great degree of wood and trellis-type material which has proved to be very sustainable and durable in a marine environment. Mr. Hellmann ran a short video clip which showed a computer-generated version of the construction phases and the completed structure. The video highlighted elements of the design such as underground parking, an acoustic seawater tank, laboratories, a public library, and green terraces on the roof. All of the materials would be designed to shade the west-facing sun while taking advantage of the daylight into the courtyards.

Chancellor Fox reasoned that the campus had much to gain in moving forward with the proposal. In exchange for the land lease, the federal government would construct the facility, maintain it, and hire UCSD students.

Regent Schilling raised the issue of the existing laboratory and wondered what plans the campus had in place given the laboratory's unstable state. Chancellor Fox responded that the federal government would orchestrate and fund the disassembly of the endangered buildings. Regent Schilling agreed that the proposal did seem to provide tremendous benefit to the campus with minimal associated expense.

7. ACCEPTANCE OF 2008-18 CAPITAL FINANCIAL PLAN AND PHYSICAL DESIGN FRAMEWORK AND AUTHORIZATION TO PARTICIPATE IN THE PILOT PHASE OF THE REDESIGNED PROCESS FOR CAPITAL IMPROVEMENT PROJECTS, SAN DIEGO CAMPUS

The President recommended that the Regents:

- A. Accept the 2008-18 Capital Financial Plan and the Physical Design Framework for the San Diego campus.

- B. Authorize the San Diego campus to participate in the pilot phase of the redesigned process for capital improvement projects.

[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 recalled that in September, the Regents had approved a temporary amendment to policy under which the President was granted authority to approve designs for projects eligible for consideration under the pilot phase of the capital redesign process. In November, the Standing Orders of the Regents were temporarily amended to increase the President's approval authority for projects up to \$60 million on campuses participating in the pilot phase.

Ms. Lapp remarked that the San Diego campus was the first to seek authorization under the new program. As the first site to develop a capital financial plan and a physical design framework, it played a substantial role in the development of templates, data analysis methods, and organizational structures for campus physical plans. She thanked Chancellor Fox and her team for the considerable effort involved in creating the proposal.

Ms. Lapp noted that the plan was developed in the context of an incredibly uncertain and unstable State budget environment. The decision by the Legislature not to support either a general obligation bond in 2008 or a State lease revenue bond had complicated the ability of all the campuses to develop reliable expectations for State funding. In addition, the freeze imposed by the State on funds to support capital projects for the University introduced another set of obstacles. Consequently, the schedule of State-funded projects indicated in the plan would be likely to change. Ms. Lapp observed that it was within this extremely uncertain context that UC San Diego developed its ten-year capital financial plan and it would be the context within which all other campuses would develop their plans. She indicated that the campuses had been working with her staff to develop assumptions regarding the level of State funding expected over the next ten years. Her office has recommended that the campuses establish plans that assume a normal level of State funding despite the current ambiguities. As her office learns more about the funding that will be available, the campus plans will be revised accordingly; any such changes would be discussed with the Regents.

Chancellor Fox described UC San Diego's pilot process for reviewing and approving capital improvement projects. Drawing the attention of the Regents to the two documents they had been given, she explained that one was the campus' capital improvement plan, and the other a physical design framework. The campus employed the approach of using the academic programs to drive the capital and physical plans; this strategy is consistent with the way in which the campus would conduct construction planning for the future.

Chancellor Fox reflected upon the physical beauty of the campus and emphasized that the University must not only safeguard the property, but must also shape the site to enhance it. She reported that UCSD has three vice chancellors whose responsibilities drive academic programs: Academic Affairs, Health Sciences, and Marine Sciences.

UC San Diego focuses on interdisciplinary collaboration, innovates when knowledge and technology permit, and puts programs into place that are of international importance. In developing its plans, the administration actively consulted with faculty, students, and staff through a combination of standing and ad hoc committees. The planning process was very collegial and it was directed by a strategic combination of academic life, student life, and auxiliary program goals, as well as overriding growth objectives and financial imperatives.

Vice Chancellor Matthews stressed that the plan includes only those projects that address the campus' most important academic and auxiliary program needs and that the campus would proceed very cautiously before committing resources to any given project. Each project included in the ten-year plan was carefully considered to make certain that the limited resources available for building improvements would be properly and strategically expended. Before formal planning would begin on any project, the campus would engage in extensive due diligence to ensure financial feasibility, a process that would include the development of cost estimates and the identification of funding sources. Furthermore, all of the projects are designed to achieve fundamental aesthetic and sustainability goals. Mr. Matthews commented that the total estimated value of the 43 projects in the current ten-year plan exceeds \$3 billion, of which approximately 76 percent would be funded through non-State sources, including gifts, federal funds, and capital reserves. In addition, the campus based its plan on the assumption that State funding for capital improvements will resume and provide approximately 24 percent of the total funding needed. Mr. Matthews pointed out that the three-to-one ratio of non-State capital funding relative to State funding is virtually identical to the stable proportions that UC San Diego has had in place over the past 20 years.

Mr. Matthews explained that analysis of the ten-year program reveals that 26 projects, representing 46 percent of the total costs of the program, will provide new facilities to advance UCSD instructional and research programs. Four projects, representing 26 percent of the total costs of the program, will provide new facilities to accommodate the expansion of UCSD Medical Center; four projects, representing ten percent of the total cost, will provide new housing facilities. Mr. Matthews elaborated that of the improvements included in the ten-year plan, roughly three-quarters of the expenditures will result in new buildings, and the remaining quarter will renovate and modernize existing facilities and expand infrastructure on the campus. Of the 26 projects that would require external financing, Mr. Matthews anticipated that 96 percent of the funds would be dedicated to three categories of programs: the Medical Center, the academic programs, and student housing. He emphasized that each of the 26 projects has been subjected to, and passed, the fiscal tests that the University uses to ensure financial feasibility. UC San Diego's project-level planning is consistent with the University's policy on sustainable practices and the campus climate action plan. The campus is committed to introducing increasingly sustainable projects and operations so that it can become a state-of-the-art, carbon-neutral site. To this end, UCSD is developing an energy park in which it will cluster a number of alternative energy projects. Mr. Matthews volunteered to escort the Regents to the energy park on a future visit.

Mr. Matthews informed the Regents that UC San Diego has benefited from collaboration with a committed group of professionals in the expansion of its campus. He noted that many of these external partners have been involved in the growth of the campus over the past two decades, a period during which the amount of space on the campus increased by approximately 5.7 million gross square feet, or 90 percent.

Associate Vice Chancellor Hellmann recounted that UC San Diego has developed a well-structured physical planning and design framework that ensures thoughtful development of the campus well into the future. He explained that the planning process at UCSD incorporates planning on various levels, ranging from general land use overviews to detailed neighborhood planning studies. Comparing the different strata of plan to different magnification levels, Mr. Hellmann referred to the 2004 Long Range Development Plan as having the lowest level of magnification; it provides an overarching general land use plan that prescribes the physical assignments for broad land use categories. Mid-level magnification would be encompassed by the 1989 master plan study, which is based upon five guiding planning principles and ultimately provides the basis for the vision for the San Diego campus. Neighborhood planning provides the highest level of magnification, and extends and refines concepts to provide site-specific design guidelines to advance individual building projects. Mr. Hellmann discussed how the three levels of planning were interwoven to create the University Center, a central hub for gathering and activity at UCSD. Mr. Hellman urged the Committee to review a compact disc that contained the appendices referenced in the physical design framework, including the Long Range Development Plan, the master plan study, and the neighborhood planning studies, and to become familiar with UCSD's vision for the future.

Chancellor Fox expressed her appreciation for the opportunity to apply the lessons learned in the pilot phase to the process for capital improvement. She remarked that she was confident that the campus had effective plans and appropriate administrative controls and that the new process would increase authority and accountability in facility development.

Regent Schilling observed that the campus had clearly invested a good deal of time and effort in its presentation.

Faculty Representative Croughan commented that she did not see a rank ordering of the projects in the San Diego materials, but that the omission was reasonably practical given the current fiscal situation. She thanked the campus for documenting clear correlations between the development of academic programs and capital projects. She noted that the appendices were also helpful in that regard. Chancellor Fox responded that the Regents' materials contained a chart listing milestones for several upcoming construction projects, but since three-quarters of the construction funding would come from private sources, a philanthropic donation could conceivably accelerate construction of one particular site over another in the plan.

Regent Reiss complimented UCSD on a thoughtful, excellent presentation. However, she voiced concern about voting to approve a \$3 billion ten-year plan based on State funding assumptions, especially if the pending budget-related ballot measures fail. Regent Reiss posed a question to the Chair and the Regents as to whether the Committee on Finance would also be reviewing the proposal and submitting recommendations. Regent Reiss stated that she would like to have more background material outlining the proposal's financial assumptions.

Chancellor Fox stressed that the campus would return to the Regents prior to obtaining funds. This first approval would give a framework with which the campus could progress to the second step and begin to secure financing. Regent Reiss asked for clarification as to what, precisely, would come back to the Regents for approval. She requested that the campuses provide various scenarios in the event that the State continues to suffer financial hardship and the economy remains depressed.

Ms. Lapp explained that if all variables in the proposal remain as written, then the campus would be permitted to move forward with its plans. However, if any facet were to change, be it financing, major environmental issues, or other aspects, the campus would be required to bring the item back to the Office of the President and the Regents. Ms. Lapp reiterated that should the Regents approve the proposal, they do so as it is written; if a significant change is needed, the campuses would have to come back with a revised plan accordingly. Regent Schilling commented that the Regents, therefore, were quite likely to see another version of this proposal brought forward at another time. She expressed excitement that projects under \$60 million did not need approval from the Regents and observed that the new process would significantly reduce project backlog. Regent Reiss asked if the Committee on Finance would be reviewing the proposals, and Regent Schilling indicated that Committee on Finance Chair Gould had reviewed the San Diego proposal.

Regent Ruiz noted that, compared to the 2004 plan, the new proposal cut the number of students – from 32,000 to 28,000 – as well as the number of faculty and staff. He posited that the reduction in staff appeared significantly greater than that of students or faculty. Chancellor Fox replied that the campus tried to protect the classrooms and the laboratory from budget cuts, and also recognized that faculty would not be able to function without support staff. She observed that the campus was making painful decisions under duress, and that the campus currently was devoting considerable time to the issue of staff reductions. Regent Ruiz acknowledged that the proposal was tentative, but reiterated his concern about the reduction in support staff.

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 4:10 p.m.

Attest:

Secretary and Chief of Staff