

The Regents of the University of California

COMMITTEE ON GROUNDS AND BUILDINGS

July 17, 2014

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

Members present: Regents De La Peña, Makarechian, Ruiz, Saifuddin, and Sherman; Ex officio members Napolitano and Varner; Advisory members Davis and Jacob; Staff Advisors Acker and Coyne

In attendance: Regents Engelhorn, Island, Kieffer, Lozano, and Torlakson, Regents-designate Gorman and Oved, Faculty Representative Gilly, Interim Secretary and Chief of Staff Shaw, General Counsel Robinson, Chief Compliance and Audit Officer Vacca, Chief Investment Officer Bachher, Provost Dorr, Executive Vice President and Interim Chief Financial Officer Brostrom, Senior Vice Presidents Dooley and Stobo, Vice Presidents Brown, Budil, Duckett, Lenz, and Sakaki, Chancellors Block, Blumenthal, Katehi, Wilcox, and Yang, Interim Chancellor Gillman, and Recording Secretary McCarthy

The meeting convened at 10:30 a.m. with Committee Chair Makarechian presiding.

1. APPROVAL OF MINUTES OF PREVIOUS MEETING

Upon motion duly made and seconded, the minutes of the meeting of May 14, 2014 were approved.

2. APPROVAL OF NEW AND UPDATED SEWER SYSTEM MANAGEMENT PLANS

The President of the University recommended that the Committee certify and approve the following new and updated Sewer System Management Plans: UC Berkeley Collection System Sewer System Management Plan, University Village Apartments Sewer System Management Plan, Richmond Field Station Sewer System Management Plan, UC Davis Sewer System Management Plan, UC Davis Medical Center Sanitary Sewer Management Plan, UC Irvine Sewer System Management Plan, UCLA Sewer System Management Plan, UC Merced Sewer System Management Plan, UC Riverside Sewer System Management Plan, UC San Diego Sewer System Management Plan, UC Santa Barbara Sewer System Management Plan, UC Santa Cruz Sewer System Management Plan, and the Kearney Agricultural Research and Extension Center Sewer System Management Plan.

[Background material was provided to Regents in advance of the meeting, and a copy is on file in the Office of the Secretary and Chief of Staff.]

Committee Chair Makarechian asked if there were any questions regarding this item.

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

3. APPROVAL OF PRELIMINARY PLANS AND WORKING DRAWINGS BUDGET, APPROVAL OF PROJECT SCOPE AND APPROVAL OF DESIGN FOLLOWING ACTION PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT, CLINICAL SCIENCES BUILDING SEISMIC RETROFIT AND RENOVATION PROJECT, SAN FRANCISCO CAMPUS

A. The President of the University recommended that the Committee recommend to the Regents that:

(1) The 2014-15 Budget for Capital Improvements and the Capital Improvement Program be amended as follows:

From: San Francisco: Clinical Sciences Building Seismic Retrofit and Renovation – preliminary plans – \$2.4 million funded from campus funds.

To: San Francisco: Clinical Sciences Building Seismic Retrofit and Renovation – preliminary plans and working drawings – \$8,016,000 to be funded from campus funds (\$5,216,000), and external financing serviced by State appropriations under the AB 94 mechanism (\$2.8 million).

(2) The scope of the Clinical Sciences Building (CSB) Seismic Retrofit and Renovation project shall include:

a. Seismic retrofit and replacement of the building systems.

b. Renovation of 107,600 gross square feet (GSF) of existing CSB, and minor additions totaling 3,000 GSF to CSB at the sixth and seventh floors because of the seismic retrofit work.

B. The President recommended that, following review and consideration of the environmental consequences of the proposed Clinical Sciences Building Seismic Retrofit and Renovation project as required by the California Environmental Quality Act, including any written information addressing this item received by the Office of the Secretary and Chief of Staff no less than 24 hours in advance of the beginning of this Regents meeting, testimony or written materials presented to the Regents during the scheduled public comment period, and the item presentation, the Committee:

- (1) Determine the project qualifies for both a Class 1 and Class 31 categorical exemption in accordance with the California Environmental Quality Act.
- (2) Approve the design of the Clinical Sciences Building Seismic Retrofit and Renovation Project, San Francisco campus.

[Background material was provided to Regents in advance of the meeting, and a copy is on file in the Office of the Secretary and Chief of Staff.]

Vice President Lenz stated that this item requested approval of the renovation and seismic retrofitting of UCSF Parnassus campus' 107,600-gross-square-foot Clinical Sciences Building. The aging building's systems would be replaced and its interior renovated for contemporary dry research and instructional space. The Regents were being asked to approve preliminary plans and working drawings budgeted at \$10.9 million, including \$8.1 million from campus funds and \$2.8 million from State funds. Approval was also sought for the project's scope, for finding the project categorically exempt from environmental review under the California Environmental Quality Act, and for approval of the project's design. The project's total cost would be \$91.4 million, of which the \$73.7 million for construction would be funded by \$52 million in external financing and \$21.7 million in State funding under the AB 94 process.

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

4. AMENDMENT OF THE BUDGET AND SCOPE AND APPROVAL OF DESIGN FOLLOWING ACTION PURSUANT TO CALIFORNIA ENVIRONMENTAL QUALITY ACT, SAN JOAQUIN APARTMENTS, SANTA BARBARA CAMPUS

A. The President of the University recommended that the Committee recommend to the Regents that:

- (1) The 2014-15 Budget for Capital Improvements and the Capital Improvement Program be amended as follows:

From: Santa Barbara: San Joaquin Apartments – preliminary plans, working drawings, and construction – \$175 million to be funded from housing auxiliary reserves (\$7.76 million) and external financing (\$167.24 million).

To: Santa Barbara: San Joaquin Apartments – preliminary plans, working drawings, and construction – \$182,544,000 to be funded from housing auxiliary reserves (\$15,304,000) and external financing (\$167.24 million).

- (2) The additional scope of the San Joaquin Apartments project augmentation shall include construction of a new dining commons, general site

improvements, landscaping, recreation courts, and approximately nine service and accessibility parking spaces and approximately 760 bicycle parking spaces.

- B. The President recommended that, following review and consideration of the environmental consequences of the proposed San Joaquin Apartments project, as required by the California Environmental Quality Act, including any written information addressing this item received by the Office of the Secretary and Chief of Staff no less than 24 hours in advance of the beginning of this Regents meeting, testimony or written materials presented to the Regents during the scheduled public comment period, and the item presentation, the Committee:
- (1) Find that the project's Environmental Impact Report and Mitigation Monitoring and Report Program and Findings certified in January 2014 included the dining commons and site improvements, and thus no additional analysis is required pursuant to the California Environmental Quality Act.
 - (2) Approve the design of the dining commons and site improvements in the San Joaquin Apartments project, Santa Barbara Campus.
 - (3) Authorize the President or her designee to modify the design, if required, in response to comments received from the California Coastal Commission, provided that any substantial changes in design as described in the approval would be brought to the Regents for consideration.
- C. The President be authorized to execute all documents necessary in connection with the above.

[Background material was provided to Regents in advance of the meeting, and a copy is on file in the Office of the Secretary and Chief of Staff.]

Vice President Lenz recalled that the Regents had previously approved the preliminary plans funding for the San Joaquin Apartments project (Project) that included a dining commons. However, the dining commons was subsequently removed from the Project because of cost and not included in the Project's scope approved by the Regents in January. The Committee encouraged the campus to reconsider its January proposal and this item would include the dining commons in the Project again. The proposed \$7.5 million budget augmentation would be funded from housing auxiliaries for a revised Project budget of \$182.5 million to be financed by \$167.2 million in external financing and \$15.3 million in housing reserves. Approval was also sought for the additional scope to include the dining commons, automobile and bicycle parking, and recreational amenities, and for approval of the design of the dining commons and additional improvements.

Committee Chair Makarechian stated that when this item was brought to the Committee previously with the dining commons eliminated, he had expressed his view that it would

be preferable to include the dining commons. Revenues from the dining commons and the student housing would pay for the construction loan and provide housing for UCSB students at rates substantially lower than the local market.

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

5. AMENDMENT OF THE BUDGET AND SCOPE, JACOBS MEDICAL CENTER, SAN DIEGO CAMPUS

The President of the University recommended that the Committee recommend to the Regents that:

- A. The 2014-15 Budget for Capital Improvements and the Capital Improvement Program be amended as follows:

From: San Diego: UCSD East Campus Bed Tower – preliminary plans, working drawings, construction and equipment – \$839.36 million to be funded from external financing (\$500 million), gifts (\$131 million), hospital reserves (\$104.36 million), Children’s Hospital bonds (\$69 million), and capitalized leases (\$35 million).

To: San Diego: UCSD Jacobs Medical Center – preliminary plans, working drawings, construction and equipment – \$859.36 million to be funded from external financing (\$500 million), gifts (\$131 million), hospital reserves (\$124.36 million), Children’s Hospital bonds (\$69 million), and capitalized leases (\$35 million).

- B. The additional scope of the UCSD Jacobs Medical Center project augmentation shall include building out approximately 8,220 assignable square feet (ASF) of shelled space in the new bed tower and renovating approximately 1,700 ASF of space in the existing Thornton Hospital.

- C. The President be authorized to execute all documents necessary in connection with the above.

[Background material was provided to Regents in advance of the meeting, and a copy is on file in the Office of the Secretary and Chief of Staff.]

Vice President Lenz stated that the UC San Diego Jacobs Medical Center project (Project) would include a new bed tower, renovation of select departments in the existing Thornton Hospital, and a new stand-alone central plant. In July 2013, the Regents approved an increase in the Project’s budget and external financing to complete the program and patient services space prior to occupancy, to address changes associated with unanticipated agency mandates, and to absorb market escalation and higher cost estimates. About 19,200 assignable square feet (asf) of shelled space remained; the

proposed budget and scope amendment would allow the campus to build out 8,220 asf of this shelled space in the new bed tower to accommodate an anatomic pathology laboratory, a new cardiac rehabilitation program, and nursing administrative space necessary for the new hospital. This item requested approval of a \$20 million augmentation to be funded from hospital reserves, bringing the Project’s total budget to \$859.36 million, and approval for the additional scope to build out 8,220 asf in the new bed tower and to increase renovated space in the existing Thornton Hospital by about 1,700 square feet.

Committee Chair Makarechian commented that the Committee had considered this Project several times. He asked about the effect of this augmentation and increase in Project scope on the hospital’s required 60-day reserve of cash on hand. UCSD Health System Chief Executive Officer Paul Viviano stated that the hospital currently had 72 days’ cash on hand, a significant improvement over its 40 days’ cash on hand a year ago, even though in the past year the hospital along with the four other UC medical centers had installed and implemented the Epic electronic medical records system. He anticipated that the hospital would have approximately 75 days’ cash on hand at the end of the year and its cash reserves would continue to improve significantly over the time being considered. He expressed his view that the \$20 million expenditure would not adversely affect cash reserves and that the financial forecasts in the item were quite conservative.

Regent De La Peña added that part of the \$20 million augmentation would be used for equipment that would have had to be purchased in any event. Mr. Viviano agreed, stating that \$5 million would provide equipment that could be used in any location.

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 10:45 a.m.

Attest:

Interim Secretary and Chief of Staff