

The Regents of the University of California

**COMMITTEE ON GROUNDS AND BUILDINGS**

May 20, 2015

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

Members present: Regents Makarechian, Saifuddin, Sherman, and Zettel; Ex officio member Varner; Advisory members Davis and Hare; Staff Advisors Acker and Coyne

In attendance: Regent-designate Oved, Faculty Representative Gilly, Secretary and Chief of Staff Shaw, General Counsel Robinson, Chancellors Hawgood and Khosla, and Recording Secretary McCarthy

The meeting convened at 1:05 p.m. with Committee Chair Makarechian presiding.

**1. PUBLIC COMMENT**

Chairman Varner explained that the public comment period permitted members of the public an opportunity to address University-related matters. The following persons addressed the Committee concerning the items noted.

- A. Mr. David Kadosh, managing director of the Zionist Organization of America, said that major incidents of anti-Semitism targeted UC students, such as swastikas defacing UC fraternity houses, students' having their Judaism questioned while running for UC student government positions, and UC Student Association meetings being bombarded with calls for divestment from Israel. He charged that these anti-Semitic actions were masked as anti-Israel activism. He urged the Regents to take a stand against racism and injustice and to adopt the U.S. Department of State's definition of anti-Semitism.
- B. Ms. Tammi Rossman-Benjamin, UC faculty member and co-founder of AMCHA Initiative, stated that on UC campuses where boycott, divestment, and sanctions campaigns have been promoted, anti-Semitic behavior had dramatically increased. She commented that three UC student senates had passed resolutions unanimously condemning anti-Semitism, each resolution invoking the U.S. Department of State's definition of anti-Semitism. She urged adoption of this definition by the University and its use to address anti-Semitism.
- C. Ms. Johanna Wilder, UC Santa Cruz alumna and campus coordinator for StandWithUs, commented that she had witnessed the increase of anti-Semitism and anti-Israel sentiment on UC campuses. She expressed support for using the U.S. Department of State's definition of anti-Semitism, and urged the Regents to condemn the bigotry of anti-Semitic incidents, require diversity training about the

history of anti-Semitism, and respect the right of UC's organized Jewish student communities to define what is anti-Semitic.

- D. Ms. Ilene Sokoloff commented on anti-Semitism on UC campuses and what she said were expressions of anti-Semitism by UC professors on University websites in violation of UC policy. She expressed her view that these perpetrators should be punished or expelled. She urged the University to be proactive in response to anti-Semitism on UC campuses, particularly the actions of Students for Justice in Palestine. Ms. Sokoloff said that Jewish students had been asked if their Jewish background would affect their ability to serve on student government. She urged the Regents to adopt the U.S. Department of State's definition of anti-Semitism and take action to punish violators.
- E. Mr. Bill Baron, former UC Davis and UC Berkeley student, expressed concern about anti-Semitic rhetoric on UC campuses. He urged the University to adopt the U.S. Department of State's definition of anti-Semitism.
- F. Ms. Wanda Solomon, UC alumna and single parent, commented that she would address her educational history. She submitted a file regarding her educational background and solicited the Regents' reactions.
- G. Mr. Joseph Barry Gurdin, UCLA alumnus and father of a UC San Diego and UC Irvine alumnus, urged the Regents to adopt the U.S. Department of State's definition of anti-Semitism. He was a long-time supporter of peace negotiations between Israel and the Palestinians.
- H. Mr. Isaac Winer, attorney and graduate of UCLA School of Law, expressed support for the petitions encouraging the Regents to adopt the U.S. Department of State's definition of anti-Semitism. A distinction should be drawn between free speech and improper hate speech.
- I. Ms. Nicole Lance, alumna of UCLA and UC Davis, urged the adoption of the U.S. Department of State's definition of anti-Semitism as an objective standard to prevent anti-Semitism.
- J. Ms. Sandra Baron urged adoption of the U.S. Department of State's definition of anti-Semitism. Targeting of any group is wrong. She reported hearing anecdotal evidence of anti-Semitism at the University.
- K. Ms. Cindy Shamban, who said she is Jewish, expressed concern about efforts to conflate criticism of Israel with anti-Semitism, interfering with the First Amendment right of free speech and limiting the ability to respond to true incidents of anti-Semitism. She urged the Regents to take a strong stand against all racism on campus, including anti-Semitism, but not to silence legitimate criticisms of Israel by codifying its inclusion in definitions of anti-Semitism.

- L. Ms. Roberta Zucker expressed concern about discrimination against Jewish students, which she said was condoned. She said that discussion of divestment from investments in Israel was anti-Semitism and urged adoption of the U.S. Department of State’s definition of anti-Semitism.

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

Upon motion duly made and seconded, the minutes of the meeting of March 18, 2015 were approved.

**3. AMENDMENT OF THE BUDGET AND APPROVAL OF EXTERNAL FINANCING, CLINICAL SCIENCES BUILDING SEISMIC RETROFIT AND RENOVATION PROJECT, SAN FRANCISCO CAMPUS**

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

- A. Subject to the concurrence of the Committee on Finance, the 2015-16 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, working drawings, construction, and equipment – \$91,468,000 to be funded from external financing (\$57,752,000), external financing supported by State appropriations under the AB 94 mechanism (\$24,535,000) and campus funds (\$9,181,000).

To: San Francisco: Clinical Sciences Building Seismic Retrofit and Renovation – preliminary plans, working drawings, construction and equipment – \$95,812,000 to be funded from external financing (\$57,752,000), external financing supported by State appropriations under the AB 94 mechanism (\$24,535,000), and campus funds (\$13,525,000).

- B. The President be authorized to obtain external financing in an amount not to exceed \$57,752,000. The President shall require that:

- (1) Interest only, based on the amount drawn, shall be paid on the outstanding balance during the construction period.
- (2) As long as the debt is outstanding, the general revenues of the San Francisco campus shall be maintained in amounts sufficient to pay the debt service and to meet the requirements of authorized financing.
- (3) The general credit of the Regents shall not be pledged.

- C. The President, in consultation with the General Counsel, be authorized to execute all documents necessary in connection with the above and to make changes in the terms that do not materially increase the cost of the project or the obligations of the Regents.
- D. The Regents find that the July 2014 California Environmental Quality Act (CEQA) determination that the project is Categorically Exempt under Class 1 and 31 remains in effect, and no further CEQA action is required.

[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.]

Associate Vice President Sandra Kim introduced this item proposing a seismic retrofit and renovation of the Clinical Sciences Building (CSB) located at the Parnassus Heights campus of UC San Francisco. The proposed action was for approval of the full budget of \$95,812,000, which included a \$4,344,000 budget augmentation, to be funded by external financing of \$57,752,000, and external financing of \$24,535,000 supported by State appropriations under the AB 94 mechanism, and campus funds of \$13,525,000. Approval would be contingent upon Committee on Finance approval of financing backed by State appropriations under AB 94.

Chancellor Hawgood commented that the CSB project represented a significant investment by UCSF in the renewal and modernization of its Parnassus Heights campus. The Regents had previously approved funding for CSB preliminary plans, working drawings, and design and had included this project in the 2015-16 Budget for State Capital Improvements.

The Parnassus campus is the older of UCSF's two flagship campuses and home to its four professional schools as well as UCSF Medical Center's clinical facilities, core instructional space, research laboratories, and offices. UCSF had embarked on a Parnassus campus long-range renewal plan, which included remediating seismic hazards, renovating obsolete space, and improving office space for faculty and staff. With the recent relocation of pediatrics, obstetrics, gynecology, and cancer clinical programs to UCSF's Mission Bay campus, other critically important adult clinical services would expand into the vacated space in Parnassus Heights hospitals and clinics. New faculty and staff who were being hired to support these adult services would require research and academic work space at Parnassus adjacent to the clinical facilities.

Instead of demolishing and replacing the CSB, which was constructed in 1933, the campus would vacate the building and completely retrofit and renovate the building's shell, all building systems, and interior spaces. This would bring the CSB into full seismic and code compliance, and would provide desktop workspace for Parnassus faculty and staff, and multipurpose instructional and meeting space. The campus evaluated a number of alternatives and determined that the complete renovation and rehabilitation of the building at one time would be less expensive and less disruptive than demolition and

replacement, especially given the CSB’s location in the heart of the Parnassus campus and its connection to adjacent buildings.

Committee Chair Makarechian asked why renovation and retrofitting would be preferable to construction of a new building. He also asked for clarification of the \$4 million budget augmentation for renovation of the building’s lobby that had not previously been part of the project.

Chancellor Hawgood responded that the Parnassus Heights site was very congested with traffic. Its buildings were interconnected, with the CSB in a complex with the adjoining Medical Sciences Building and University Hall. The campus undertook a detailed business case analysis comparing financial and time considerations of demolition of the CSB and construction of a new building as compared with the current renovation strategy. The analysis determined that renovation offered significant cost savings and reduction in disruption of the services that must continue for patients, faculty, and students. The site presented difficulties for construction, such as limited lay-down space and parking for contractors.

Associate Vice Chancellor Michael Bade added that demolition and rebuilding of the CSB would have necessitated rebuilding from the Parnassus Avenue side, where there were approximately 16,000 pedestrian crossings daily. The renovation of the CSB would allow access from the back side by construction of a bridge into the top floor of the building, which was built against a steep hillside, enabling easier access for contractors and their equipment. Cost analysis revealed that construction of a new building would cost 15 to 30 percent more than renovation.

Mr. Bade explained that the \$4 million budget augmentation involved a transfer of scope from the UC Hall project, which would follow the CSB project by a few years, to the CSB project. The small pavilion entry shared by both buildings would be partially demolished and reconstructed as a multipurpose 175-seat classroom needed to replace a dentistry auditorium on the seventh floor of the CSB as quickly as possible. The pavilion entry had been considered part of UC Hall, but was being changed to be included in the CSB renovation.

Committee Chair Makarechian suggested amending the item to require Regents’ approval for any further increases in budget or scope.

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

4. **AMENDMENT OF THE BUDGET AND SCOPE, APPROVAL OF EXTERNAL FINANCING, AND APPROVAL OF DESIGN FOLLOWING ACTION PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT, BERKELEY WAY WEST PROJECT (TOLMAN HALL SEISMIC REPLACEMENT), BERKELEY 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: Berkeley: Tolman Hall Seismic Replacement – preliminary plans, working drawings, construction, and equipment – \$150 million to be funded from external financing (\$75 million) and external financing supported by State appropriations (\$75 million).

To: Berkeley: Berkeley Way West (Tolman Hall Seismic Replacement) – preliminary plans, working drawings, construction, and equipment – \$185 million to be funded from external financing (\$110 million) and external financing supported by State appropriations (\$75 million).

(2) The scope of the Berkeley Way West (Tolman Hall Seismic Replacement) project shall consist of constructing an eight-story, 325,000-gross-square-foot (gsf) building that will provide approximately 230,000 gsf of academic and research space and approximately 95,000 gsf of leasable space.

(3) The President be authorized to obtain external financing not to exceed \$110 million. The President shall require that:

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

b. As long as the debt is outstanding, the general revenues of the Berkeley campus shall be maintained in amounts sufficient to pay the debt service and to meet the requirements of the authorized financing.

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

B. The President recommended that, following review and consideration of the environmental consequences of the proposed Berkeley Way West project, as required by the California Environmental Quality Act (CEQA), 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) Adopt CEQA Findings based on analysis of the environmental impacts presented in the *UC Berkeley 2020 Long Range Development Plan Environmental Impact Report* as updated by Amendment #1 and

accompanying Addendum #5 addressing Climate Change, and Addendum #12.

- (2) Approve the design of the Berkeley Way West (Tolman Hall Seismic Replacement) project for the Berkeley campus.

[The UC Berkeley 2020 Long Range Development Plan Environmental Impact Report, Amendment #1, Addendum #5, Addendum #12, and California Environmental Quality Act Findings were provided to Regents in advance of the meeting, and a copy is on file in the Office of the Secretary and Chief of Staff.]

Associate Vice President Sandra Kim introduced this item proposing the replacement of Tolman Hall with Berkeley Way West, a new 325,000-gross-square-foot (gsf) building that would provide approximately 230,000 gsf of academic and research space, and 95,000 gsf of leasable space. In March 2014, the Regents approved the project budget of \$150 million and scope of 247,000 gsf for a five-story academic and office building. The proposed action would amend the total project budget to \$185 million, approve an additional \$35 million of external financing supported by the Berkeley campus, certify the environmental documentation under the California Environmental Quality Act, and approve the project's design. The amended scope would add the demolition of Tolman Hall.

UC Berkeley Vice Chancellor Robert Lalanne explained that Berkeley Way West would house the Schools of Education, Psychology, and Public Health. The project site is in downtown Berkeley, one block west of campus. As required by the City of Berkeley Downtown Plan, the ground floor along Shattuck Avenue would contain retail space that would provide the University some revenue income. The remainder of the ground floor would contain community space and flexible classroom space serving up to 800 undergraduate students. The second level would include classrooms, procedure testing rooms for the Schools of Psychology and Public Health, and other common resources used by all three departments. Floors three through five would provide workspace for each department, and floors six through eight would provide 95,000 gsf of leasable space for UC affiliates and/or third parties. Open floor plans would provide flexible, efficient configurations.

Mr. Lalanne observed that the project's level site would require no excavation. The building would be clad in a high-performance curtain wall system with more robust treatment at the ground floor, particularly for the retail space. The project was expected to attain a Leadership in Energy and Environmental Design Gold certification. Water savings would be achieved through the use of bioswales in landscaping, non-potable processed water in limited mechanical systems, and efficient fixtures. The campus hoped to begin construction on the project in November with completion anticipated in slightly more than two years. Turner Construction had been selected recently as the general contractor.

Committee Chair Makarechian congratulated the campus for designing the project at a lower cost per square foot than comparable buildings on other UC campuses. He requested an explanation of the economic benefits of adding three floors to the building at an additional cost of \$30 million. Mr. Lalanne explained that the Regents had originally approved a 247,000 gsf building with a budget of \$150 million. When the campus explored the building design, it concluded that roughly 270,000 gsf could be constructed within the approved budget. The campus then examined the site plan to maximize the floor area ratio and determined that 325,000 gsf could be constructed. The campus already owned the land and the infrastructure was already developed. The campus decided it would be advantageous to build the full 325,000 gsf, with 95,000 gsf that could be leased out to either other UC Berkeley or affiliated research groups. UC Berkeley currently leased more than 200,000 gsf of space in downtown Berkeley from third-party landlords; it would be preferable to lease space from the University. Mr. Lalanne projected that leasing 95,000 gsf at \$40 per square foot would generate more than \$3.5 million in annual revenue. The debt service on the additional \$35 million at four percent would be about \$2 million per year. Building the additional space would result in net revenue for the University and could also provide expansion space for campus units over the upcoming five to ten years.

Committee Chair Makarechian asked about the demolition of Tolman Hall. Mr. Lalanne responded that \$7 million of the budget would be allocated for the demolition of Tolman Hall in the fall of 2017. In the short term, that land could be used for parking until the campus could determine what academic building would be appropriate for that site.

Regent-designate Oved asked why the budget for site clearance increased from \$500,000 to \$7.25 million. Mr. Lalanne explained that the previously approved budget did not include \$7 million for the demolition of Tolman Hall.

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

**5. AMENDMENT OF THE BUDGET AND APPROVAL OF EXTERNAL FINANCING, BIOLOGICAL AND PHYSICAL SCIENCES BUILDING, SAN DIEGO CAMPUS**

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

- A. Subject to the concurrence of the Committee on Finance, the 2015-16 Budget for Capital Improvements and the Capital Improvement Program be amended as follows:

- From: San Diego: Biological and Physical Sciences Building – preliminary plans, working drawings, construction and equipment – \$111.6 million funded from external financing (\$46.7 million), external financing supported by



State appropriations under the Assembly Bill (AB) 94 mechanism (\$55.8 million), and campus funds (\$9.1 million).

To: San Diego: Biological and Physical Sciences Building – preliminary plans, working drawings, construction and equipment – \$115.5 million funded from external financing (\$50.6 million), external financing supported by State appropriations under the AB 94 mechanism (\$55.8 million), and campus funds (\$9.1 million).

- B. The President be authorized to obtain external financing in an amount not to exceed \$50.6 million. The President shall require that:
  - (1) Interest only, based on the amount drawn, shall be paid on the outstanding balance during the construction period.
  - (2) As long as the debt is outstanding, the general revenues of the San Diego campus shall be maintained in amounts sufficient to pay the debt service and to meet the requirements of authorized financing.
  - (3) The general credit of the Regents shall not be pledged.
  
- C. The President, in consultation with the General Counsel, be authorized to execute all documents necessary in connection with the above and to make changes in the terms that do not materially increase the cost of the project or the obligations of the Regents.

[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.]

Chancellor Khosla discussed UC San Diego’s need for the Biological and Physical Sciences Building and additional graduate and professional student housing, to be considered in the subsequent item. Between the fall of 2003 and the fall of 2013, the number of UCSD biology majors increased by almost 64 percent or 2,000 students, and the number of chemistry/biochemistry majors increased by almost 57 percent or 400 students. Without additional teaching laboratories, enrollment in these majors would have to be restricted and courses to fulfill graduation requirements in these and other majors would be affected, leading to a possible increase in students’ time to degree.

With regard to graduate and professional student housing at UCSD, Chancellor Khosla noted a strong demand by students to live close to campus, illustrated by a wait list of more than 2,000 students for existing housing. There was a shortage of reasonably priced rentals in the surrounding area. The proposed housing would help UCSD recruit students and make progress toward its goal of providing students a two year front-end housing guarantee and fulfilling its Long Range Development Plan goal of housing 50 percent of its students on campus.

Associate Vice President Sandra Kim summarized this action to amend the total project budget for the Biological and Physical Sciences Building from \$111.6 million to \$115.5 million and approve \$50.6 million in external financing. In March 2014 the Regents approved preliminary plans funding and in September 2014 the full project budget was included in the 2015-16 Budget for State Capital Improvements approved by the Regents. The current item sought a \$3.9 million budget augmentation for the estimated interest during construction component associated with external financing. Approval would be contingent upon Committee on Finance approval of financing backed by State appropriations under AB 94.

Committee Chair Makarechian asked why the interest was being added at the current time when the estimated interest during construction component associated with external financing would normally be included in the original budget. Vice Chancellor Pierre Ouillet responded that in this case the campus had not had information from the State and the University about the timing of financing, but would be able to include this interest in future budgets.

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

**6. APPROVAL OF THE BUDGET AND APPROVAL OF EXTERNAL FINANCING, GRADUATE AND PROFESSIONAL STUDENT HOUSING – EAST CAMPUS, 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: Graduate and Professional Student Housing – East Campus – preliminary plans – \$4,871,000 to be funded from UC San Diego Housing Auxiliary Reserves.

To: San Diego: Graduate and Professional Student Housing – East Campus – preliminary plans, working drawings, construction, and equipment – \$208,584,000 to be funded from external financing (\$200 million) and UC San Diego Housing Auxiliary Reserves (\$8,584,000).

B. The President be authorized to obtain external financing not to exceed \$200 million to finance the Graduate and Professional Student Housing – East Campus project. The President shall require that:

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

- (2) As long as the debt is outstanding, general revenues from the San Diego campus shall be maintained in amounts sufficient to pay the debt service and to meet the related requirements of the authorized financing.
  - (3) The general credit of the Regents shall not be pledged.
- C. The scope of the Graduate and Professional Student Housing – East Campus project shall provide approximately 442,000 assignable square feet of housing space and approximately 1,355 beds to support graduate and professional students. The scope also includes a parking structure of approximately 900 parking spaces, associated common spaces, site improvements, and demolition of 11 existing buildings at North Mesa Housing.
- D. The President, in consultation with the General Counsel, be authorized to execute all documents necessary in connection with the above and to make changes in the terms that do not materially increase the cost of the project or the obligations of the Regents.

[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.]

Associate Vice President Sandra Kim summarized this item requesting approval of the budget and external financing for UCSD East Campus graduate and professional student housing. The item proposed construction of six buildings totaling 442,000 assignable square feet of housing space and 1,355 new beds for graduate and professional students. The facility would include approximately 850 micro-apartments and 250 one-, two-, and three-bedroom traditional apartments. The project would also include construction of a parking structure and surface parking that together would provide approximately 900 spaces. The Regents were being asked to approve the project budget of \$208,584,000 to be funded with external financing of \$200,000 and UCSD housing reserves of \$8,584,000. In 2013-14, only 540 of approximately 2,900 graduate and professional student housing applicants could be accommodated. Off-campus housing rates were significantly higher than on-campus rates, particularly for housing close to the campus, and the San Diego area’s apartment vacancy rate was at an all-time low of 2.8 percent. The external financing for the project would not affect UCSD undergraduate student housing rental rates.

Regent Zettel concurred with Ms. Kim’s analysis of the lack of affordable housing in the community and expressed support for the addition of parking. Increasing student housing would help decrease commute traffic to campus. She asked how the campus’ remaining need for housing to meet its goals would be fulfilled. Chancellor Khosla observed that it had been shown that living on campus generally resulted in a much better student experience. The UCSD Long Range Development Plan called for on-campus housing for 50 percent of its students. The campus currently was about 5,000 beds short of this goal and the current project would provide only 1,300 beds. The campus planned to build more student housing in the future for both undergraduate and graduate students.

Committee Chair Makarechian pointed out that he had requested at an earlier meeting that all student housing development proposals show the cost per unit or cost per square foot, rather than the cost per bed, so that UC projects could be properly compared with private-sector projects. He pointed out that, unlike the University, private-sector developers must pay for expensive land, yet the construction costs per square foot were often similar. Costs per bed could be misleading and make comparisons difficult.

Committee Chair Makarechian expressed his view that the University should not inspect its own construction projects, recalling construction defect problems with the Infill Apartments at UC Santa Cruz. In addition, the University should carry construction defect insurance for all projects. He stated that the San Diego campus should obtain a list of all construction defect problems encountered with the Infill Apartments at UC Santa Cruz so that those problems could be avoided. He suggested amending the recommendation to permit no budget increases without Regents' approval and to include the above conditions.

Regent Sherman asked if the campus financing benchmarks were specific to this project or reflected the overall campus debt service. Ms. Kim responded that the table reflected the overall campus debt service. Regent Sherman asked that future housing proposals include a feasibility analysis of that project's projected profit and loss (rental income less expenses) and how much of that project's debt service would be covered, rather than only an analysis of the campus' aggregated debt service. Ms. Kim responded that the campus provided those figures to the Office of the President. Committee Chair Makarechian commented that the financing would be approved by the Committee on Finance. Regent Sherman asked if the approval of the building and approval of financing were considered separately. Vice Chancellor Pierre Ouillet added that the debt service coverage for the housing auxiliary was currently 1.38. The existing practice was to look at the auxiliary unit as a whole, rather than the individual project, since the project would be supported by the campus' entire housing operation. Regent Sherman expressed his view that each project should be examined on an incremental basis, considering whether that project could be self-supporting financially or would be a drag on overall campus housing operations. Mr. Ouillet stated that campus and student leaders had expressed a preference to have the housing operations viewed as a whole portfolio, instead of pricing each project on its merits, allowing revenue from a project that was almost paid off to support newer projects.

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

**7. APPROVAL OF DESIGN FOLLOWING ACTION PURSUANT TO CALIFORNIA ENVIRONMENTAL QUALITY ACT, CENTER FOR NOVEL THERAPEUTICS, SAN DIEGO CAMPUS**

The President of the University recommended to the Committee that, following review and consideration of the environmental consequences of the proposed Center for Novel Therapeutics, 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:

- A. Certify the Environmental Impact Report.
- B. Adopt the Mitigation Monitoring Report and Findings.
- C. Approve the design of the Center for Novel Therapeutics, San Diego campus.

[The Environmental Impact Report and California Environmental Quality Act Findings were provided to Regents in advance of the meeting, and a copy is on file in the Office of the Secretary and Chief of Staff.]

Associate Vice President Deborah Wylie introduced this item requesting the Committee’s approval of the design following action pursuant to the California Environmental Quality Act for the UC San Diego Center for Novel Therapeutics (Center). The Center would promote development of new personalized medical therapeutics through research conducted by UCSD investigators and private sector collaborators in shared space. The new research facility of approximately 110,000 gross square feet would be developed through a public-private partnership on a ground-leased site in the UC San Diego Science Research Park on the east side of Interstate Five. The Regents approved the ground lease terms in July 2014. The Committee was also being asked to certify the Environmental Impact Report and adopt the Mitigation Monitoring Report and Findings.

Assistant Vice Chancellor Joel King commented that the Center would be located in the East Campus adjacent to the UCSD Medical Center. Mr. King displayed a slide showing the building’s first floor plan with the location of laboratories, accelerator laboratories, office space, and an interior courtyard. The second and third floors would contain laboratories, meeting space, and offices. UC San Diego would occupy approximately 33 percent of the building. The building’s central atrium would take advantage of natural light and provide collaboration space; the basement would contain a vivarium and some parking. An innovative system would employ photovoltaic receptors embedded in the glazing on top of the atrium. Mr. King reported that the recycled water from the condensate from the cooling tower would be used for all the site’s landscaping. Water-conserving fixtures and enhanced metering would be used, including separate meters for the cooling tower and the boiler water make-up. The developer aimed for a Leadership in Energy and Environmental Design (LEED) Platinum rating, and was firmly committed to obtaining LEED Gold.

Regent Zettel asked how much of the building’s energy would be supplied by the photovoltaic receptors. Mr. King responded that they would supply approximately 40 percent. Regent Zettel inquired as to the nature of the research that would be conducted in the Center. Chancellor Khosla replied that the major focus would be cancer research.

Committee Chair Makarechian asked whether the savings from the photovoltaic system would go to the project developer. Mr. King said the Science Research Park was connected to the public utility, so the electrical, gas, and domestic water would all be serviced from the public utility. The developer was being held to UC’s sustainability standards.

Committee Chair Makarechian commented that since land in La Jolla was expensive, future projects should not include so much parking space. It would be preferable to have the parking structure underneath the building, particularly when the project would be privately developed. Two or three more buildings could have been placed on the space relegated to parking. Mr. King clarified that the two parking lots on the site plan would be sites for future building development. When those are leased, there would be a trigger for a parking structure in the Science Research Park. Committee Chair Makarechian responded that requiring the developer to include parking under the building would have been preferable because the parking would be at the developer’s cost rather than the University’s.

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

**8. APPROVAL OF DESIGN FOLLOWING ACTION PURSUANT TO CALIFORNIA ENVIRONMENTAL QUALITY ACT, INTEGRATIVE GENOMICS BUILDING PROJECT, LAWRENCE BERKELEY NATIONAL LABORATORY**

The President of the University recommended to the Committee that, following review and consideration of the environmental consequences of the proposed Integrated Genomics Building as required by the California Environmental Quality Act (CEQA), 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:

- A. Adopt the CEQA Findings.
- B. Adopt the Standard Project Features itemized in Appendix A of the *Integrative Genomics Building Environmental Analysis and Checklist* and Long Range Development Plan Environmental Impact Report best practices as conditions of project approval.
- C. Approve the design of the Integrative Genomics Building Project, Lawrence Berkeley National Laboratory.

[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.]

Associate Vice President Deborah Wylie introduced this item requesting approval of design following action pursuant to the California Environmental Quality Act for the Integrative Genomics Building (IGB) at the Lawrence Berkeley National Laboratory (LBNL). LBNL proposed construction of a federally funded, four-story, 76,000-gross-square-foot laboratory and office building on the former site of the Bevatron accelerator on the main LBNL campus. The IGB would house the Joint Genome Institute and the Systems Biology Knowledge Base programs currently in leased space in Walnut Creek and Emeryville, and improve collaboration opportunities and access to LBNL facilities and staff. The Department of Energy (DOE) would fund and own the completed building. The Committee was being asked to adopt the Findings, adopt the Standard Project Features and the Long Range Development Plan (LRDP) Environmental Impact Report (EIR) best practices as conditions of approval, and approve the project design. The Laboratory had documented the CEQA analysis to support UC's design approval. Environmental analysis was included in the Laboratory LRDP EIR and related documents. The DOE approved the National Environmental Policy Act Categorical Exclusion as required for federally funded projects.

Project Manager Joseph Harkins observed that this project would be completely funded by the DOE and would house two bioscience programs currently in leased space, the Joint Genome Institute, a genome sequencing facility in Walnut Creek, and the Systems Biology Knowledge Base, a bioinformatics program in Emeryville. Scientists from all over the world would come to collaborate with these two programs. Several years ago, LBNL proposed a plan to consolidate all biosciences at its Richmond Bay campus, but the DOE did not support that proposal. The DOE was fully supportive of the planned IGB at the LBNL site. The ground lease with DOE for the site would be extended as had been done for all recent building construction funded by the DOE. The LBNL is on land wholly owned by the University.

Mr. Harkins reported that three sites within LBNL were considered for the IGB. The Laboratory agreed with input from the Laboratory's community advisory group in selecting the site near the entrance of LBNL. He noted concern about the site's proximity to the Hayward Fault, but pointed out that the site was more than 1,000 feet from any known fault trace and was outside the surface rupture zone. The building was being designed for seismic loads by structural engineering experts and independent structural reviews were being conducted throughout the design process. A separate modular utility plant was also proposed. The IGB's first two floors would house laboratories and its second two floors would contain office and interaction spaces. The top three program priorities for the building were connectivity, interaction space, and bringing light into the laboratory spaces.

The IGB project's aesthetics would be a continuation of other recent LBNL buildings, with concrete for the first two floors and structural steel clad with metal panel for the upper two floors. This would meet the building's functional requirements for a stable environment on the first two laboratory floors, with light, efficient office space above. The building would abut an upper level terrace to the east.

Sustainable strategies were incorporated with a focus on increasing energy efficiency, enhancing daylighting, and reducing operating costs. Leadership in Energy and Environmental Design Gold certification would be sought as a compliance path to the DOE High Performance and Sustainable Building requirements. One key sustainable feature was the separation of the laboratory function from the office function, which would allow efficient system design.

Mr. Harkins summarized that this project was funded by the DOE; no UC funding would be required. The IGB would provide program consolidation, enhancing scientific synergies, and improving the resulting science. The project would be environmentally sensitive and was a top LBNL infrastructure project with strong DOE support.

Regent Sherman asked about the details of the ground lease between UC and the DOE. Mr. Harkins replied that the existing lease with the current contract approval was extended to 2020. That contract had a clause that would automatically extend the ground lease for the life of the building, normally termed at 50 years, at the time construction was approved. The Office of the General Counsel would determine if a separate approval by the Regents was required. If that was necessary it would be requested sometime in the upcoming year. Regent Sherman asked if there was any payment under the ground lease. Mr. Harkins responded that there was no payment.

Regent Zettel asked what level of seismic hazard the building would be designed to withstand. Mr. Harkins replied that the building would be designed to the maximum credible earthquake that would occur with site-specific response spectra, or a 6.8 earthquake on the Hayward Fault. Regent Zettel asked if a 7.2 earthquake on the Hayward Fault would be problematic. Mr. Harkins answered in the affirmative.

Regent Zettel inquired about the proposed building's visibility to local residents. Mr. Harkins responded that neighbors to the north would have intermittent views of the building, although a good deal of vegetation would break up that view. The other sides of the building would be shielded from view by the terrain.

Committee Chair Makarechian recalled that some prior construction projects at LBNL had encountered problems with slides and also expressed concern about the seismic hazard. Mr. Harkins responded that a thorough geotechnical investigation had determined that the landslide threat to the proposed building was considered not to be an issue. There were slides just to the east that undermined Building 46. If another building were developed north of the IGB site, that building would need to address slide issues.

Committee Chair Makarechian inquired about the positioning of the IGB in relation to slopes and asked why the proposed location had been chosen rather than a site farther back from the hill. Mr. Harkins stated that a curved wall to the south was a remnant of the Bevatron and would be preserved as an artifact of the science that occurred there. Other considerations were the desire to have the utility entrance at the second level in the back from an existing roadway and to locate the project far enough to the south to enable possible future development at the Bevatron site. Putting the IGB at the south end of the



site eliminated the need to demolish existing occupied buildings and would preserve the rest of the site for future development. Committee Chair Makarechian again questioned locating the building at the edge of the slope. Mr. Harkins responded that if the building were farther away from the slope, more construction would be needed to gain access to the building's second level. He expressed his view that slides would not threaten the building in its chosen site.

Committee Chair Makarechian asked about liability for additional expenses should slide conditions be unearthed during construction, or for possible future seismic damage to the completed building. Mr. Harkins said the DOE would be responsible for any cost increases or future damage. Committee Chair Makarechian asked General Counsel Robinson for confirmation. Mr. Robinson said he would provide the information to Committee Chair Makarechian after reviewing the terms of LBNL's arrangement with the DOE for the project.

Committee Chair Makarechian asked if anything could be done at this point to make the project's overhang design less susceptible to earthquake damage and to reduce the possibility of problems from slides. Mr. Harkins observed that the overhang served to minimize the structure's height. The seismic design was being evaluated and the x-bracing at the overhang was an area being examined. The building would be owned by the DOE and any seismic damage would be repaired with DOE funds. Committee Chair Makarechian asked if the DOE would approve the design prior to the start of construction. Mr. Harkins answered in the affirmative, explaining the gating process for critical decisions on DOE projects. The IGB had recently passed the second critical decision that approved the conceptual design. In the fall there would be a review of the preliminary design, which would include an independent technical review. In the spring or early summer of 2016, LBNL would bring full construction documents to the DOE for a third and final review.

Committee Chair Makarechian asked when construction was scheduled to begin and if it would be possible without delaying construction to reconsider the overhang design, given the building's proximity to the Hayward Fault.

Regent Sherman asked if the University was a ground lessor in this project and would be fully indemnified from any potential problems. Associate Laboratory Director Glenn Kubiak responded that DOE Order 413.3 contained its construction policies. Should any conditions that generate unanticipated costs arise during construction, there would be a change in project scope to address that problem, or some alternative. There would be no liability for the University. With regard to indemnification, Mr. Kubiak said he would check with the LBNL Chief Laboratory Counsel Jeffrey Blair, but the University had abundant precedent for this arrangement since there were more than 80 buildings built by the DOE at LBNL. Regarding the seismic hazard and the building design, Mr. Kubiak recalled that the same concerns had been raised about the Molecular Foundry, which had a similar design that had undergone extensive structural analysis. That building had proven to be very stable. Mr. Kubiak agreed that the University would be in the position of a ground lessor and the DOE was constructing the building and would own it. He

agreed that typically risk was allocated to the building owner, but he would provide this information after reviewing the terms of LBNL’s arrangement with DOE for this project and consulting with Mr. Blair.

Mr. Harkins commented that LBNL would respond to these concerns.

This item was deferred.

9. **APPROVAL OF DESIGN FOLLOWING ACTION PURSUANT TO CALIFORNIA ENVIRONMENTAL QUALITY ACT, LOS RIOS COMMUNITY COLLEGE DISTRICT DAVIS CENTER PHASE 2 BUILDING, DAVIS CAMPUS**

The President of the University recommended to the Committee that, following review and consideration of the environmental consequences of the proposed Los Rios Community College District Davis Center Phase 2 Building, as required by the California Environmental Quality Act (CEQA), 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:

- A. Adopt Addendum #2 and CEQA Findings based on the analysis of environmental impacts presented in the *2003 UC Davis Long Range Development Plan Environmental Impact Report* and Addendum #1.
- B. Approve the design of the Los Rios Community College District Davis Center Phase 2 Building, Davis 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.]

Associate Vice President Deborah Wylie introduced this second phase of a collaboration between the Los Rios Community College District (Los Rios) and UC Davis for development of a 25,000-gross-square-foot (gsf) building that would contain classrooms, laboratories, and office space. The proposed project would be funded, constructed, owned, operated, and maintained by Los Rios under the terms of an existing ground lease with the University approved by the Regents in November 2006. The Committee was being asked to adopt Addendum #2 and California Environmental Quality Act Findings based on the analysis of environmental impacts presented in the 2003 UC Davis Long Range Development Plan Environmental Impact Report and Addendum #1, and approve the design of the Los Rios Community College District Davis Center Phase 2 Building.

Assistant Vice Chancellor and Campus Architect Clayton Halliday displayed a slide showing the project’s location on UC Davis’ West Campus in the West Village, a public-private partnership built a few years prior. The West Village occupied 135 acres, with 600 apartments and 43,000 gsf mixed-use retail and commercial space. UC Davis was

working with Los Rios on the design to ensure that it would be contextual with West Village. The proposed Phase 2 building would be 25,000 gsf. A future Phase 3 building would be the final build-out for Los Rios. Mr. Halliday displayed slides showing the proposed floor plan. The building would contain classrooms, including language classrooms, and biology and chemistry laboratories. The building's color palette would be similar to that of the Phase 1 building and the rest of the West Village complex. Mr. Halliday expressed the campus' enthusiasm about its partnership with Los Rios and the number of Los Rios students who would come to UC Davis and other UC campuses.

Committee Chair Makarechian observed that the University would lease the ground to Los Rios, noting that since Los Rios would stay on the land indefinitely, it was as if the University were giving the land to Los Rios. He asked for clarification of the term of the lease. Mr. Halliday responded that the ground lease was for 65 years. General Counsel Robinson added that legally the lease term was 65 years, but agreed that as a practical matter Los Rios and the buildings would be there in effect permanently. Committee Chair Makarechian commented that, while there were great benefits to the partnership with Los Rios, there were costs for the University, such as giving up its land and the cost of having Los Rios students use UC facilities. Given the current fiscal climate, he asked if the University would be reimbursed by Los Rios for these costs. Mr. Halliday stated that it was intended that Los Rios students would have access to the University's libraries and other campus amenities. The presence of Los Rios had enlivened the West Village culture. Committee Chair Makarechian asked if the University received any payment for leasing the space and about the value of the land. Mr. Halliday said the University was paid one dollar per year for the ground lease and that he would provide the land value. Associate Director Mark Rutheiser added that under the terms of the ground lease UC Davis had use of Los Rios classrooms up to \$1 million worth of rental over the term of the lease. Many UC Davis departments conducted classes at the Los Rios Davis Center.

Committee Chair Makarechian asked about the University's future commitment. Mr. Halliday responded that land was set aside for Phase 3 that he anticipated would be developed in two to three years.

Regent-designate Davis expressed support for this innovative collaboration. He noted the provision in the Governor's May Revision that UC campuses attempt to achieve an admission ratio of one transfer student for every two freshmen. He said that UC Davis was one of the three UC undergraduate campuses that had achieved this goal. This arrangement with Los Rios would help reduce educational costs for UC students through a provision allowing concurrent registration at Los Rios and UC Davis, enabling students to take classes at a lower cost at Los Rios. He expressed his understanding that as many as one-third of Los Rios students were Latinos, also meeting a priority of the University. Committee Chair Makarechian agreed about the benefits of the partnership, but cautioned that UC Davis could need the valuable land in the future.

Regent Sherman asked why this was being brought to the Committee if the multiple-phase project had been previously approved. Ms. Wylie replied that it was the

responsibility of the Committee to approve the design of the individual buildings, even though the phases of the project had been approved.

Regent Zettel congratulated the campus on this innovative arrangement that would provide UC Davis students with the opportunity to take advantage of a UCD-Los Rios collaboration that would offer classes at the Los Rios Davis Center in less commonly taught languages such as Farsi, Tagalog, and Vietnamese. She echoed Committee Chair Makarechian’s concern that UC Davis could eventually be constrained for land. She reminded the Committee that the California Community Colleges had an automatic funding increase through Proposition 98 that the University did not enjoy.

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

The meeting adjourned at 4:55 p.m.

Attest:

Secretary and Chief of Staff