

The Regents of the University of California

FINANCE AND CAPITAL STRATEGIES COMMITTEE

July 18, 2018

The Finance and Capital Strategies Committee met on the above date at UCSF–Mission Bay Conference Center, San Francisco.

Members present: Regents Anderson, Makarechian, Park, and Sherman; Ex officio member Kieffer; Advisory member May; Chancellors Gillman, Hawgood, Khosla, and May; Staff Advisor Main

In attendance: Regent Pérez, Regents-designate Simmons and Um, Faculty Representative White, Student Advisor Huang, Assistant Secretary Lyall, Chief of Staff and Special Counsel Drumm, Executive Vice President and Chief Financial Officer Brostrom, Executive Vice President and Chief Operating Officer Nava, and Recording Secretary Johns

The meeting convened at 3:45 p.m. with Committee Chair Makarechian presiding.

1. **APPROVAL OF MINUTES OF PREVIOUS MEETING**

Upon motion duly made and seconded, the minutes the meeting of May 23, 2018 were approved.

2. **APPROVAL OF THE UC DAVIS 2018 LONG RANGE DEVELOPMENT PLAN, FOLLOWING ACTION PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT, DAVIS CAMPUS**

The President of the University recommended that, following review and consideration of the environmental consequences of the proposed UC Davis 2018 Long Range Development Plan (LRDP), 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 Finance and Capital Strategies Committee recommend that the Regents:

- A. Certify the Environmental Impact Report.
- B. Adopt the Mitigation Monitoring and Reporting Program.
- C. Adopt the CEQA Findings and Statement of Overriding Considerations.
- D. Approve the UC Davis 2018 LRDP.

[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 May began the discussion by recalling that the last approval of a Long Range Development Plan (LRDP) for the Davis campus had occurred in November 2003. The campus was now seeking Regents' review of an updated plan to guide potential campus population growth and new facilities. The proposed LRDP would build on the success of the 2003 LRDP, which had enabled UC Davis to advance with major new facilities for core academic needs, improve student and other facilities, such as the multi-purpose football stadium, and the recently completed Jan Shrem and Maria Manetti Shrem Museum of Art. In addition, the campus had created the West Village residential community, expanded dormitory housing within the Tercero district, and embarked on extensive environmental sustainability projects. Chancellor May envisioned the entire campus as a living laboratory, a place of engagement for teaching, research, and public service. Campus planners are dedicated to the goal of making the campus a better place and contributing to the identity of the UC system and the Sacramento region. The campus had its roots in an agricultural heritage and its future would reflect all aspects of California, so that it could serve the needs of the state.

The proposed LRDP included input derived from a multi-year engagement process with campus constituents and the local community. In the public comment period earlier that day, representatives of the City of Davis had raised important concerns. In order to address these concerns, Chancellor May had sent a letter to Mayor Brett Lee, assuring him of the campus' commitment to engage actively on matters of mutual interest. Chancellor May was also proposing three initiatives: an annual meeting between campus and City representatives, which would include reports by the City and the campus on enrollment, housing, transportation, student programs, and other shared concerns; a joint housing report on the status of current housing projects and plans for new housing projects on campus and in the City; and a joint working group to ensure progress on these and other issues. The campus had almost completed a ten-year strategic plan. This plan would chart the vision for UC Davis, leveraging this LRDP to advance goals for the campus, plans for UC Davis sites in Sacramento, including Aggie Square, and continued excellence of programs.

Vice Chancellor Kelly Ratliff explained that the proposed 2018 LRDP was specific to the main Davis campus, and did not include the UC Davis Health campus in Sacramento, the Bodega Marine Laboratory, the Tahoe Environmental Research Center, or the Tulare Laboratory. The central campus in Davis covers approximately 5,300 acres, located between Interstate 80 and State Route 113, adjacent to the City of Davis, a community with approximately 70,000 inhabitants. The 2003 LRDP had projected a total population of 51,645, including students, faculty, staff, affiliates, and visitors. The actual population was about 47,550, or about 4,100 fewer than this earlier projection. The 2018 LRDP projected a potential population increase of 10,000, for a total population of about 57,300. The LRDP projected a potential student enrollment increase of 5,000 above the baseline in 2016-17 of 33,825 for a potential total enrollment of 39,000. Ms. Ratliff noted that several thousand of these students would not be on the main campus, but at other locations. As part of its 2020 enrollment plan, UC Davis had added about 5,000 students since fall 2011, and had

consistently enrolled the highest number of California resident undergraduates within the UC system. The 2018 LRDP projection now assumed less growth as the campus neared its goal for national and international students. The campus did not anticipate substantial growth in its undergraduate population, but did anticipate growth in its graduate student population. The development of the 2018 LRDP was guided by three main principles: supporting the academic enterprise, enriching community life, and creating a sustainable future for the campus.

The 2018 LRDP proposed the most ambitious student housing plan in UC Davis' history. In total, housing within this LRDP would provide 9,050 additional student beds, significantly exceeding the projected enrollment growth, which was slightly above 5,000 students. Once completed, the LRDP would almost double the on-campus student housing from about 9,800 to about 19,000. In addition, UC Davis had identified space in the West Village neighborhood for housing up to 500 faculty and staff. Concurrent with the LRDP, the campus had initiated two large housing projects, and the Environmental Impact Report (EIR) supported the final entitlement for these projects, the West Village and Orchard Park developments. The West Village, Orchard Park, and several other projects under way accounted for 6,100 of the 9,050 beds to be constructed over the next five years.

Ms. Ratliff presented a land use map for the LRDP. Planning had considered all potential facility needs and was designed to ensure flexibility so that new ideas could be incorporated in coming years. UC Davis was considering 75 additional acres for academic land use, research, and instruction. As an example, the 2018 LRDP included two sites, north and south of Interstate 80, along Old Davis Road, which had been agricultural land and were now indicated for academic use. The 2018 LRDP proposed approximately two million additional gross square feet of academic and administrative space, as well as substantial renovation of existing facilities. Renovation would align with the campus' sustainability goals and its need to invest in aging buildings, improve space utilization, modernize workspaces, and update building systems. Other land uses in the LRDP included housing, agricultural fields, athletic facilities, open spaces, and infrastructure. The Dairy Teaching and Research Facility might be relocated, and the LRDP identified a need to replace the track and field complex.

Ms. Ratliff stated the campus' view that the 2018 LRDP reflected a highly engaged and interactive community outreach process. The planning period, over three years, involved more than 40 public meetings and workshops and resulted in six major revisions to the draft planning scenario. During the EIR comment period, UC Davis received more than 100 comments, and thoroughly investigated and provided detailed suggestions for each of those comments. Through this process the campus received valuable feedback and criticism, and as a result of this feedback, UC Davis increased the amount of student housing from 6,200 beds to 9,050. The campus removed housing proposals from certain recreational fields, and incorporated flexibility to provide road and bikeway connections to a proposed student-oriented housing project on neighboring land, the Nishi Property. In proceeding with the LRDP, UC Davis was committed to ongoing engagement with campus constituents and the Davis community.

In terms of environmental review, UC Davis had taken specific steps to strengthen its relationship with the City. Ms. Ratliff stated that the campus was confident that the final EIR was ready for certification. The EIR was a critical element of the planning process, and it carefully assessed significant environmental impacts of the LRDP and proposed feasible mitigation measures. Comments provided during the public review process raised no new issues that would require recirculation of the draft EIR, and the University's responses to these comments were included in the final EIR. Many of the mitigation measures were a continuation of effective and ongoing efforts from the 2003 LRDP EIR. For example, the current EIR identified conversion of campus agricultural land as an impact of the 2018 LRDP and proposed ongoing mitigation for agricultural land to take place at the UC Davis Russell Ranch site. Using land as part of the mitigation strategy reflected UC Davis' ability to maximize its use of campus facilities and support ongoing agricultural research on campus land.

Regent Anderson referred to the ambitious plans for growth in student housing and asked if there was an opportunity to build even more, given the low vacancy rates in Davis and the need for more on-campus housing. Chancellor May emphasized that the student housing projects envisioned as part of this plan would not be the last student housing projects the campus would ever undertake. UC Davis would continue to try to meet student needs beyond the period of this LRDP. Ms. Ratliff noted that the City had approved other projects, so that in aggregate, the vacancy rate would be improved by on-campus housing projects as well as developments in the City of Davis. A housing project on the Nishi Property could have capacity for 2,200 student beds.

Committee Chair Makarechian observed that City developments did not benefit the University, and would charge market rates. UC Davis should build as much student housing on campus as possible. Ms. Ratliff responded that the City was seeking affordability. The development of the Nishi Property, recently enabled by a ballot measure, included affordability as a tenet, and would be specifically for students.

Regent Park stated that she initially had been alarmed by the LRDP when considering the discussions of enrollment and other topics that had yet to take place, from now through 2030. UC Davis staff had discussed the LRDP with her and this had put it into a proper context as a land use document.

Regent Pérez expressed concern about the proposed action, based on statements made during the public comment period earlier that day and on communications from people in the Davis and Yolo County community that were critical of the proposed LRDP, and statements of dissatisfaction with communications between the campus and the community. One issue that had been raised was mitigation measures of the 2003 LRDP. Mitigation measures had been identified in 2003, but according to some statements, there were still no answers on this earlier LRDP, even as a new LRDP was being put forward. Regent Pérez asked about the timeline for mitigation measures identified in the new LRDP. UC Davis Director of Environmental Planning Matt Dulcich responded that a local activist had requested documentation on the 2003 LRDP mitigation effort. That request had

overlapped with staff work on the new LRDP. The campus has corresponded with the activist and would provide this information as soon as possible.

Regent Pérez stressed that the Regents were being asked to act on this item now. It was reasonable to request some update on the 2003 mitigation before acting on a new LRDP. Mr. Dulcich responded that the 2003 LRDP EIR contained a mitigation monitoring and reporting plan. For each California Environmental Quality Act environmental resource topic – such as transportation, air quality, water quality, and public services – specific mitigation measures were adopted. All mitigation measures had been complied with, followed through, documented, and completed. Some measures were programmatic and required the campus to adopt specific policies, such as a dust control policy for construction projects. Some measures were aimed at achieving transportation demand management goals to encourage carpooling. Some measures were more specific; for example, in the area of transportation, requiring that every three years UC Davis count the number of vehicle trips throughout the campus, assess the level of service at each intersection, and make necessary improvements. Some measures were project-specific. Each of these measures had been completed, and documentation of completion of the measures was available, but not in a single report. Retrieval would require staff to go through files at a number of different campus offices. The information would be compiled and provided. Regent Pérez asked how long it would take to retrieve these documents. Mr. Dulcich estimated that this would take a week to ten days.

Regent Pérez suggested that the Board put off voting on this item until the next meeting, and asked if this would result in any harm to the campus. Ms. Ratliff responded that the primary concern of the Davis community and the campus was student housing. Approval of the LRDP and certification of the EIR would enable the campus to continue with its West Village student housing project, which would provide almost 3,300 beds. This housing was very much needed by students and desired by the community. The greatest evidence that UC Davis was responding to community mitigation concerns was the fact that this LRDP proposed student housing for 9,050 students but contemplated enrollment growth of only about 5,000 students. The mitigation measures mentioned by Mr. Dulcich were important and had been addressed. The West Village project, together with other projects completed or under way, would provide 4,700 of the 9,050 beds.

Mr. Dulcich then responded to Regent Pérez's question about the timeline for mitigation measures identified in the new LRDP. This timeline would be similar to that for the 2003 LRDP. The various mitigation measures would be triggered at different times. Some measures would be triggered with the adoption of the LRDP, such as updating campus policies and standard construction requirements. There was a fall cycle for updating the campus' Division 01 specifications for construction. Some projects would begin immediately, such as measures for transportation mitigation and upgrading intersections.

Regent Pérez remarked that 15 years had elapsed since the adoption of the last LRDP, and there were still questions about accessing mitigation measure reports. It would be helpful to understand, before the Board acted on this item the following day, how people can access information on mitigation measures in real time. Chancellor May responded that in his

communications with the mayor, he had committed to regular correspondence and communication at meetings with the mayor and City Council to provide updates on the progress of these mitigation measures.

Regent Pérez stressed that these were complicated matters with numerous stakeholders who do not all communicate with one another. It was important to ensure that any stakeholder could access certain information in real time. Chancellor May responded that all reporting and correspondence henceforth would be public information, published on the campus website and available to the entire community. The campus would endeavor to make this information as accessible as possible.

In response to questions by Committee Chair Makarechian, Ms. Ratliff clarified a chart of the Existing and Projected Campus Housing Projection included in the background materials. She affirmed that when UC Davis plans its infrastructure and conducts its environmental impact analysis, it takes into account the entirety of projected new housing units for students, faculty, and staff.

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

3. **APPROVAL OF DESIGN FOLLOWING ACTION PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT, WEST VILLAGE TRANSFER STUDENT AND CONTINUING UNDERGRADUATE STUDENT HOUSING PROJECT, DAVIS CAMPUS**

Following review and consideration of the previously certified *UC Davis 2018 Long Range Development Plan Environmental Impact Report*, of which the proposed West Village Student Housing Project is a part, 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 President of the University recommended that the Finance and Capital Strategies Committee recommend that the Regents:

- A. Determine that no further analysis pursuant to the California Environmental Quality Act is required.
- B. Adopt the Mitigation Monitoring and Reporting Plan for the West Village Student Housing Project included in Volume 2 of the certified 2018 Long Range Development Plan Environmental Impact Report.
- C. Adopt the Findings and Statement of Overriding Considerations for the West Village Student Housing Project.
- D. Approve the design of the proposed West Village Student Housing project.

[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 May introduced this item for approval of the design of the West Village Transfer Student and Continuing Undergraduate Student Housing Project. This would be the first student housing project presented as part of the UC Davis 2018 Long Range Development Plan (LRDP) Environmental Impact Report. The project would add about 3,265 beds and was the first phase of student apartments that would ensure substantial near-term progress toward the 2018 LRDP goal of adding up to 9,050 new beds over the next decade.

Regent Anderson asked how the campus was determining the mix of unit types for this project. Interim Vice Chancellor Emily Galindo responded that the project would include studios and one-, two-, and three-bedroom apartments. The campus had conducted student surveys and examined vacancy surveys to determine which types of apartments students are seeking, and was trying to provide a reasonable mix.

Regent Anderson asked if there had been comparison with other campuses to determine which products had been most successful. Ms. Galindo responded that she communicates regularly with other housing directors across the UC system. The campuses were all providing the same kinds of amenities. Two- and four-bedroom apartments appeared to work well.

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

4. **APPROVAL OF DESIGN FOLLOWING ACTION PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT, DUNDEE RESIDENCE HALL AND GLASGOW DINING PROJECT, RIVERSIDE CAMPUS**

Following review and consideration of the environmental consequences of the proposed Dundee Residence Hall and Glasgow Dining 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 President of the University recommended that the Finance and Capital Strategies Committee recommend that the Regents:

- A. Adopt Addendum No. 2 to the UC Riverside 2005 Long Range Development Plan (LRDP) Environmental Impact Report (EIR), as previously updated and amended by the 2005 LRDP EIR Amendment 2 (2011), for the Dundee Residence Hall and Glasgow Dining project.
- B. Adopt the CEQA Findings for the Dundee Residence Hall and Glasgow Dining project. By adopting the CEQA Findings, the Regents reaffirm the Statement of

Overriding Considerations adopted in association with certification of the UCR 2005 LRDP EIR.

- C. Approve the design of the Dundee Residence Hall and Glasgow Dining project, Riverside 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.]

Chancellor Wilcox introduced this item for the Dundee Residence Hall and Glasgow Dining project, a public-private partnership and part of the systemwide Student Housing Initiative. Ground lease business terms and financing for the project had been approved at the May meeting. The project was designed as an undergraduate living-learning community on a 4.9-acre site, and would replace Lot 22, a parking lot with 328 parking spaces. The project would provide approximately 820 new residence hall beds and an 830-seat dining facility that would serve the Dundee Residence Hall and take over food service for Aberdeen-Inverness, the oldest residence hall on campus. The dining facility in Aberdeen-Inverness was last renovated in 1974.

Consistent with its 2005 Long Range Development Plan (LRDP), the campus has a goal of housing about half of its students. Currently 27 percent of UCR students were housed on campus. Due to enrollment growth, even with the addition of these 820 new beds, that percentage would remain about the same. Chancellor Wilcox identified the project site on a map, south of Linden Street. To the north of the site was the North District development area. This project was not part of the North District but served as a preparatory step for UCR, to test business relationships and partners, before launching into the development of the North District.

Vice Chancellor Gerry Bomotti stated that the project had been planned to align with UCR's Physical Design Framework, approved by the Regents in November 2009, and was consistent with the current 2005 LRDP, which specifically highlighted this location for development as a residence hall and related support space, including dining. He anticipated that the project would meet or exceed Leadership in Energy and Environmental Design (LEED) Silver standards, with a focus on energy savings and minimizing life-cycle costs. The project would comply with seismic safety policies. With regard to the California Environmental Quality Act, the campus had not identified any new or significant impacts or a substantial increase in the severity of environmental impacts identified in the LRDP's 2011 Environmental Impact Report.

Dundee Residence Hall would include two seven-story buildings with approximately 820 beds in 400 single-, double-, and triple-occupancy units. Most of the units would be doubles. The residence hall buildings would also include a variety of other amenities – study spaces, community bathroom facilities, seminar and classroom spaces, fitness room, laundry, and outdoor fitness areas. The proposed two-level Glasgow Dining commons would provide about 830 dining seats with better efficiency and flexibility than existing facilities. Mr. Bomotti presented renderings of the outside appearance of the Dundee

Residence Hall and the Glasgow Dining commons. The residence hall building design would be integrated with the adjacent outdoor spaces, the neighboring residence halls, and the character of the Riverside campus. The exterior building materials would be stucco, metal panels, and UCR brick, a unique brick type that is locally sourced. The residence halls would occupy approximately 2.7 acres, resulting in a density of about 300 beds per acre. The dining commons building would feature a glass façade and a metal trellis to provide shade, and a terrace on the upper level. Landscaping throughout the area would include drought-tolerant plants and native species. The project would be a major step forward for UCR in addressing current demand for affordable on-campus housing. Mr. Bomotti stated that UCR would present a plan for the North Campus development Phase 1 in the near future, a project that he anticipated would add 4,000 to 6,000 student beds over time.

Regent Anderson asked about the incremental cost of constructing net-zero energy buildings for this project. Mr. Bomotti responded that he did not have these data, but noted that the campus was exploring the use of rooftop solar panels on another project and making sure that it could add rooftop solar panels on this project.

Regent Sherman asked if there was different pricing per bed in double- versus triple-occupancy units. Mr. Bomotti responded that a triple had a discount of about \$900 per academic year over a double.

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

5. **UC SAN DIEGO 2018 LONG RANGE DEVELOPMENT PLAN, LA JOLLA, SAN DIEGO 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.]

Chancellor Khosla recalled that the last Long Range Development Plan (LRDP) for the San Diego campus had been approved in 2004. The campus had arrived at a saturation point, had met or exceeded its enrollment targets, and needed a new LRDP. The campus had engaged the community in its planning process and had received a great deal of community feedback. UC San Diego Director of Campus Planning Robert Clossin stated that the UC San Diego 2018 LRDP was a planning guide for campus population growth and development needs through a horizon year of 2035. UC policy requires that each campus maintain an up-to-date LRDP. Mr. Clossin emphasized that the LRDP does not include approval of individual projects; it is a program-level document. Subsequent projects would be reviewed in light of compliance with LRDP objectives and goals. The LRDP is integrated with other framework documents, including the Capital Financial Plan, the Ten-Year Plan, the Physical Design Framework, and other policy documents. The 2018 LRDP would be the sixth LRDP in the campus' history. The LRDP projected future enrollment growth of up to 42,400 undergraduate and graduate students, with a total campus population of 65,600 and potential development of up to 27.9 million gross square

feet of academic space, research space, housing, and public-supporting facilities. The campus estimated that it would increase enrollment by roughly 6,600 students. The total campus population would increase by about 14,000, and the campus would have the capacity to add approximately 8.9 million gross square feet of new development, including redevelopment and demolition of obsolete buildings. The LRDP anticipated an additional 9,000 beds for students, faculty, and staff, and this figure did not include the roughly 5,500 beds that the campus was currently developing. This construction would bring the number of campus residents to about 30,000. The LRDP was spurred by UC San Diego's strategic plan and was aligned with the campus' vision of being a student-centered, research-focused, service-oriented public university.

Mr. Clossin discussed the land use plan, an important part of the LRDP, and compared land use maps for the 2004 LRDP and the proposed 2018 LRDP. Roughly 70 percent of the campus was now built out, and the proposed changes from the 2004 land use plan were minor refinements. UCSD would expand on previously established planning principles for the campus. The La Jolla campus had slightly less than 1,200 acres and three distinct areas: the East Campus, bisected by Interstate 5, the West Campus, with most of the undergraduate housing and academic facilities, and the Lower West Campus, the location of the Scripps Institution of Oceanography. About two-thirds of the land would be used for open space preserves, academic facilities, and housing. Other land uses were sports and recreation, academic health care, science research as part of industry partnerships, community-oriented uses, general services, and administrative space. UCSD's land use strategy provided flexibility for still unknown opportunities that might arise in the future. The campus was becoming denser, with fewer vacant areas, and much of the development would now be the redevelopment of low-density areas. UCSD envisioned further development of University Center, the core or "downtown" area of the campus, with mixed uses. The 2018 land use plan included an alignment with light rail transit. There would be two light rail stations on the campus, one on the West and one on the East Campus, and there would be four other stations close to the campus as well. This light rail service would begin in 2021.

A unique aspect of the student experience at UCSD is the residential college system, a system of smaller units within a large research university. Currently there were six colleges, and under this land use plan, UCSD would expand to add two new undergraduate colleges. The existing colleges were overenrolled, with about 4,800 students in each college. UCSD would seek to reduce the population of each college to about 4,000 students and to house about half those students within the college. With the projected growth in undergraduate enrollment, UCSD estimated that it would need two more colleges.

Open spaces were important to the campus. About 30 percent of the campus was open space preserve, and some of this was sensitive biological habitat. UCSD has an open space management program. Mr. Clossin explained that the Hillcrest campus was under a separate LRDP.

Through the development of the LRDP and the process of outreach, the campus identified key LRDP objectives and principles. UC San Diego would enhance public and open spaces,

expand services on campus, and provide additional on-campus housing to create a living-learning residential campus environment with more mixed-use spaces. Developing additional on-campus housing was important for UCSD and for the region, given the challenging housing market. UCSD would seek to make optimal use of the light rail system, seeing the stations as mobility hubs and working with local agencies to improve access to the campus. UCSD received many comments from students, staff, and community members about the open spaces on campus, and UCSD was mindful of the need to be a good steward of these spaces, even as the campus was growing and becoming denser, and to minimize the impacts of growth through the implementation of sustainable development practices and policies. The LRDP would include an Environmental Impact Report (EIR) with a greenhouse gas reduction strategy. The campus was also updating its climate action plan. UC San Diego would seek to maintain positive campus-community relations.

As part of the LRDP process, the campus organized a number of different outreach events: more than 20 agency meetings, four community-wide public open houses, an online survey, and over 30 presentations to local organizations and campus groups. UCSD regularly participates in local community group meetings, providing updates, and had developed a Community Advisory Group, which includes representatives of several local community groups. In numerous meetings, elements of the LRDP such as housing, sustainability, and transportation and parking were discussed. Through this work with the Community Advisory Group, the campus developed community planning principles which were incorporated in the LRDP. A public scoping for the LRDP EIR was held in November 2016, and over 200 groups and individuals were notified. UC San Diego received only 13 comment letters from the public and from agencies. The primary issues raised were traffic and congestion, construction impacts, aesthetics and visual character, and ensuring that the campus has plans for adequate infrastructure as it continues to grow. The LRDP process had lasted about three years. The campus was now finalizing its draft LRDP EIR, which would be issued for 45-day public review.

Committee Chair Makarechian asked how the campus had arrived at the numbers for increased enrollment of undergraduate students, from 21,900 to 32,000, and graduate students, from 8,000 to 10,400. He asked how this was estimated and who set or approved these goals. Mr. Clossin responded that his office worked closely with the Office of the Executive Vice Chancellor – Academic Affairs to define potential enrollment levels in 2035 for the purposes of the LRDP. UCSD would like graduate students to make up 25 percent of the campus population.

Committee Chair Makarechian asked how the campus could know that it would receive State funding to support the estimated number of students for whom it was planning to build facilities. Executive Vice President and Chief Financial Officer Brostrom responded that an LRDP is a long-term land use plan, with an outside estimate of how many students could be accommodated, not a plan to increase enrollment by a certain number of students each year. He recalled that in the case of UC Davis' last LRDP, the campus had ultimately enrolled 4,500 fewer students than the campus' land use could accommodate.

Committee Chair Makarechian asked if the stock of on-campus housing would be sufficient to accommodate increased enrollment. Mr. Clossin responded in the affirmative. Committee Chair Makarechian referred to figures provided in the background materials, according to which UCSD might remove approximately 1.2 million gross square feet of buildings and would have capacity for approximately 27.9 million total gross square feet for development. He asked if these figures referred to demolition followed by new construction, or development overall. Mr. Clossin responded that UCSD would add 8.9 million gross square feet of capacity with the new LRDP. The campus' current capacity was approximately 19 million gross square feet. Some areas on campus, such as the East Campus, have relatively low population density. UCSD was demolishing buildings there and building at higher densities. Density was also being increased in the center of the campus.

Committee Chair Makarechian asked why student housing would not be located closer to the future light rail stations and why the LRDP would not increase density in those areas. Mr. Clossin responded that UCSD was planning redevelopment around those two stations. The West Campus would develop mixed-use spaces and housing. Chancellor Khosla observed that the campus needed to proceed with caution, because if housing was made too dense, like a metropolis, the student experience would suffer. The campus must strike an appropriate balance between high-density living and quality of life and a living-learning community. The campus was increasing density significantly, but not excessively, from town home living to multi-story housing. The campus would be planned for walking and bicycling. As the campus brought new projects forward, it was redeveloping the landscape and road infrastructure.

Committee Chair Makarechian asked if the Hillcrest Campus' separate LRDP would be deployed simultaneously. Chancellor Khosla responded that this would be the case for part of the Hillcrest LRDP. UCSD also wished to build an outpatient pavilion at Hillcrest to maximize revenues there. At the moment, the campus did not have what it considered a reasonably sized outpatient facility at Hillcrest.

Regent Park expressed uneasiness about this and the UC Davis LRDP discussed earlier, and expectations that might be created. She understood that campuses wished to move forward and refresh outdated facilities.

Committee Chair Makarechian observed that the LRDP presented caps or limits. Specifics for actual projects later might be raised or lowered. Chancellor Khosla stated that he understood Regent Park's concerns. He noted that there is a legal requirement to have an LRDP and that campus housing projects must be related to an LRDP. The LRDP was a preparatory step to explain the campus' plans for land use to the broader community, not a document written in stone. If there were insufficient funding by the State, no new projects would be built.

6. HILLCREST CAMPUS REDEVELOPMENT PHASE 1, SAN DIEGO 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.]

UC San Diego Vice Chancellor Pierre Ouillet introduced this item, recalling that the Hillcrest Campus is a medical campus in the heart of San Diego that provides a number of essential programs for the region. Among these are a trauma center, a regional burn center, and a comprehensive stroke center, as well as a behavioral health program and a strong HIV/AIDS program. Hillcrest provides significant service to underserved populations: 40 percent of its patients are Medi-Cal patients. The Hillcrest hospital must be replaced by 2030 for compliance with seismic safety requirements, but even without these requirements, the existing hospital was reaching the end of its useful life and would have to be replaced by that date at the latest. UC San Diego was subject to County deed restrictions which require medical and inpatient services at the site in order for UCSD to own the land. Mr. Ouillet emphasized as an important positive factor the political and community support for UCSD's role at Hillcrest. UC San Diego's commitment to Hillcrest was part of a broader engagement strategy that included light rail transit access and a presence in downtown San Diego.

UCSD's plans to redevelop Hillcrest reflected a unique partnership between the campus and UC San Diego Health, with an integrated campus planning process across all missions. The campus and UCSD Health had partnered to acquire the land needed in order to have contiguous control of the site. UCSD Health would be in charge of renewing clinical facilities, while the campus would be in charge of public infrastructure, roads and utilities, parking, and residential and retail developments. The campus and UCSD Health were jointly engaging with stakeholders.

The redevelopment would have a unique "self-help" funding model. Part of the campus would be redeveloped as housing. Ground lease revenues, estimated at \$200 million in prepaid ground leases achieved in the next ten to 15 years, would be used to subsidize a number of the joint infrastructure and academic renewal projects. There would be benefits for the County as well. In the context of a local housing crisis, UCSD believes that it could provide at least 1,000 housing units in an area of high demand.

The proposed mix of health care, wellness, housing, and green space for the Hillcrest Campus had been well received by the local community. A major concern for the community was traffic impacts. UCSD would orient much of the traffic to the south side of the campus and improve access from Interstate 8, which would relieve traffic impacts for the residential communities of Hillcrest and Mission Hills. In developing parking, UCSD was working to achieve a balance between access for patients and anticipating industry shifts and reducing parking overall. UCSD needed to keep the hospital and clinical facilities open while developing the new facilities. When the new facilities were built, the old ones would then be demolished. This would be accomplished through a multi-phased development over ten years.

Phase 1 of the redevelopment was centered on health care. UCSD did not yet have a final model for the inpatient facility. Phase 1 would focus on facilities that were needed in any case, no matter how long-term plans might develop. This meant focusing on two major building blocks. The first would be a large outpatient facility that would consolidate and expand currently outdated and fragmented facilities, essentially doubling their footprint, with a focus on high-demand and high-margin services. The facility would be margin-accretive, meaning that the additional margin would more than cover the financing costs of the project. The second major component would be a parking structure that would allow for the demolition of all current parking facilities now at the end of their useful lives. This would result in a much better use of land. The current parking facilities on the west side of the campus commanded some of the best views in San Diego; in Mr. Ouillet's view, they should be taken down to allow for residential development. UC San Diego would present the business case for the Hillcrest Campus redevelopment plans at a future meeting.

7. **COMMITTEE PRIORITIES AND ITEMS FOR THE UPCOMING YEAR**

[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.]

Due to time constraints, Committee Chair Makarechian asked that Committee members share their ideas for Committee priorities and items with Secretary and Chief of Staff Shaw via email.

The meeting adjourned at 5:05 p.m.

Attest:

Secretary and Chief of Staff