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Office of the President

TO MEMBERS OF THE FINANCE AND CAPITAL STRATEGIES COMMITTEE:

INFORMATION ITEM

For Meeting of January 22, 2020

MISSION BAY EAST CAMPUS PHASE 2 (BLOCK 34) CLINICAL BUILDING AND PARKING GARAGE, SAN FRANCISCO CAMPUS

EXECUTIVE SUMMARY

The San Francisco campus proposes to construct a new, approximately 190,000-gross-square-foot clinical building and a new 500-space parking garage on the East Campus Phase 2 parcel (Block 34) at the Mission Bay campus site. In support of UCSF Health's Strategic Plan to increase its market presence, the proposed clinical building would provide an ambulatory surgery center and adult primary and secondary multi-specialty clinics. UCSF also is considering including a state-of-the-art radiation oncology treatment center with proton therapy. Other clinical services are also being evaluated as the campus looks to maximize the opportunity to provide clinical space adjacent to like-disciplined clinical and research programs.

The proposed parking garage would support anticipated demand for parking created by recent development and the proposed clinical building. Even with access to the campus by multiple modes of public transportation and progress made in recent years to reduce the number of single-occupancy vehicles, there remains a critical need for additional parking options at the Mission Bay campus site.

The campus presented the proposed clinical building project to the Health Services Committee at its December 2019 meeting and plans to seek approval of preliminary plans funding for the clinical building project and preliminary plans, as well as working drawings funding for the parking garage project, in March 2020. Approval of full budget, external financing, and design following action pursuant to the California Environmental Quality Act would be requested for both projects in 2021.

BACKGROUND

UCSF Health's Strategic Plan, Vision 2025, calls for it to fulfill the health system's unique role in its broader network as the Bay Area's leading complex care provider and destination for tertiary and quaternary care. Specifically, the plan calls for the health system to increase its market share from 11 percent to 16 percent over the next five years. Further growth is limited by both ambulatory and inpatient capacity. The proposed clinical building would create capacity in

an ambulatory setting to allow for both new primary and specialty care access as well as new ambulatory surgery access and subsequently free up capacity in the UCSF's inpatient facilities.

The development of the Mission Bay campus site has been critical to the success of UCSF's academic and clinical programs. The campus has identified key strategies for projects at Mission Bay and the proposed clinical building and parking garage would be essential to advancing UCSF's strategy to grow outpatient clinical programs and support the adult hospital services and cancer services.

Project Drivers for the Clinical Building

Provide an Ambulatory Surgery Center (ASC)
The demand on operating rooms at Mission Bay and Parnassus Heights cannot meet the demand from both inpatient and outpatient surgical services. Outpatient surgical volume has grown at a rate of 7.5 percent per year over the last five years and continued growth is expected. A new ASC at Mission Bay would increase capacity for inpatient surgical services at Parnassus Heights and the Mission Bay Hospital by directing outpatient surgical services to the ASC. Additionally, locating an ASC at Mission Bay would provide consolidation of cancer services in a single facility.

Expand Access to Adult Primary and Secondary Multi-Specialty Clinics
Additional clinic space is needed to address unmet demand across primary care specialties and to meet long-term population health goals. UCSF's faculty practice and ambulatory services have grown between seven percent and 12 percent for the last five years; current new patient referrals far exceed existing capacity. Within the next 24 months, examination room utilization will rise above industry benchmarks and limit the ability to serve more patients.

New clinics would support inpatient adult care being provided at Mission Bay. Also, the creation of an adult urgent care clinic would provide services that are lacking in the area and support the Mission Bay Hospital's emergency room by allowing it to direct adult patients to the urgent care clinic. The urgent care clinic will also support cancer services by providing much-needed capacity for the urgent care needs of cancer patients.

Provide Access to Proton Therapy
As part of the planning and programming effort for the clinical building, UCSF is evaluating the opportunity to include proton therapy in the project. Proton therapy is emblematic for leading cancer programs, especially for pediatric oncology. Comparable top-tier programs have access to proton therapy for their patients. Providing the option for state-of-the-art radiation oncology treatment with proton therapy is key to maintaining and strengthening the UCSF Health cancer program.

Physician groups and referral partners in the Bay Area have expressed strong interest in attaining access to proton therapy for their patients, and would increase referrals for radiation therapy to UCSF to secure this access. The positive impressions created by these radiation therapy referrals could easily be expected to extend to other radiation and cancer treatments in a "halo effect."

The proposed project would take advantage of the proximity of the existing Radiation Oncology department location in the Precision Cancer Medicine Building (PCMB), leveraging required imaging and treatment planning capabilities, outpatient and inpatient access for multidisciplinary cancer services, as well as cancer specialists including staff and faculty (see Attachment 2). Other scenarios for adding proton therapy to UCSF's clinical portfolio are being evaluated, with this proposed clinical building being one option under consideration.

Project Drivers for the Parking Garage

Increased Demand

Much of the demand for campus parking is from patients and visitors who use the clinical facilities at the campus, including the Mission Bay Hospitals, UCSF Ron Conway Family Gateway Medical Building, and the recently-opened PCMB. Existing parking garages and surface lots for the general campus operate at 85 percent occupancy during peak hours. The current parking garages and surface lots that primarily support UCSF Health patients and visitors all are operating at 100 percent capacity, with valet service activated daily to accommodate overflow demand during peak times.

Facilities currently under construction at Mission Bay and the proposed clinical building will further increase the patient and visitor population, as well as the number of faculty and staff.

Estimated Population at New Mission Bay Facilities

Project	Faculty/Staff	Patients/Visitors	Total
Joan and Sanford I. Weill Building (2020)	923	627	1,550
Wayne and Gladys Valley Center for Vision (2020)	1,500	500	2,000
Proposed Clinical Building (2023)	TBD	TBD	1,700
Total	2,423	1,127	5,250

Conservatively, the increased demand for parking during peak hours resulting from these new buildings is estimated to require approximately 1,035 spaces at the Mission Bay campus site. A temporary 200-space surface parking lot is being constructed adjacent to the Wayne and Gladys Valley Center for Vision to accommodate patient parking demand and some parking by faculty and staff; this surface lot would be demolished in phases by the proposed projects to provide for a limited number of patient and visitor parking to remain during construction. UCSF is planning to construct up to 500 structured spaces on the East Campus Phase 2 (Block 34) parcel. Although continuing to improve UCSF's Transportation Demand Management strategy (see Attachment 5), the proposed parking garage is needed to provide the critical parking demand in the near term.

PROJECT DESCRIPTION

Clinical Building

The proposed clinical building project would consist of construction of an approximately 190,000-gross-square-foot (gsf) clinical building. Initial programming elements include:

- Ambulatory Surgery Center (approximately 39,000 gsf) – ten operating rooms, two procedure rooms, and 34 recovery bays.

- Clinics (approximately 52,000 gsf) – adult primary and secondary multi-specialty clinics.

- Proton Therapy (approximately 44,000 gsf) – two 360-degree full rotating gantries, one dedicated eye-line for ocular treatment, one dedicated cat scan, and research space.

- Approximately 55,000 gsf of space has not been programmed and is currently designated as space for future expansion, additional clinical services, and office and administrative support space.

The East Campus Phase 2 (Block 34) site is one of the last opportunities for construction of clinical space at the Mission Bay campus, with the exception of the Mission Bay Hospital Phase 2 site. Therefore, UCSF proposes to design and construct a building that maximizes its entitlement for the site and the opportunity to provide clinical space adjacent to like-disciplined clinical and research programs. The space program would be refined through detailed programming and master planning efforts.

Parking Garage

The proposed parking garage project would consist of construction of an approximately 500-space structure. During construction of the parking garage the temporary 200-space surface parking lot on the site would be demolished in phases, to allow for a limited number of patient and visitor parking for those accessing the Wayne and Gladys Valley Center for Vision; employees would need to use other parking locations on campus.

The garage would be designed to include sustainable features (e.g., charging stations for electric vehicles, natural day-lighting and ventilation; space for motorcycles and bicycles). Program space within the parking garage would include office and administrative support spaces for Transportation staff.

Project Site

The proposed clinical building and parking garage would be located on UCSF Mission Bay East Campus (which contains both Blocks 33 and 34). The 3.8-acre East Campus is bounded by Third Street to the west, 16th Street to the north, Illinois Street to the east, and Mariposa Street to the south. Under the 2014 Long Range Development Plan, the East Campus was projected to

accommodate 500,000 gross square feet of development in two buildings and 500 structured parking spaces. The approved Wayne and Gladys Valley Center for Vision and Valley Tower building is currently under construction on the northern portion of the site. The proposed clinical building and the parking garage would be located on the southern portion.

Project Schedule

The campus plans to seek approval of preliminary plans funding for the clinical building and preliminary plans as well as working drawings funding for the parking garage project at the March 2020 Regents meeting.

Approval of budget, external financing, and design following action pursuant to the California Environmental Quality Act is planned for 2021. Target completion of the parking garage is anticipated in 2021-22 and in 2023-24 for the clinical building.

Project Delivery

The projects would be delivered using a form of Integrated Project Delivery (IPD) model, emphasizing the same principles used to achieve the successful results of the UCSF Medical Center at Mission Bay project and the PCMB project. The design would be performed on site with a collocated integrated team that includes UCSF, the architect, contractor, and key subcontractors working collaboratively in a "big room" environment to optimize project quality within a cost target set by UCSF. The IPD process optimizes the use of Lean tools, processes, and 3-D modeling. In addition to minimizing risk, the IPD method provides the greatest control over design, quality, and managing patient, staff, visitor, and community requests.

UCSF plans to use the same integrated team for design and construction of both the clinical building and the parking garage and to bid the projects as a single contract to take advantage of economies of scale and efficiencies related to having one contractor on site.

KEY TO ACRONYMS

ASC	Ambulatory Surgery Center
GSF	Gross-Square-Feet
IPD	Integrated Project Delivery
PCMB	Precision Cancer Medicine Building

ATTACHMENTS

Attachment 1:	Project Location Map
Attachment 2:	Project Site Maps
Attachment 3:	Summary of Alternatives – Clinical Building
Attachment 4:	Summary of Alternatives – Parking Garage
Attachment 5:	Summary of Transportation Demand Management Program

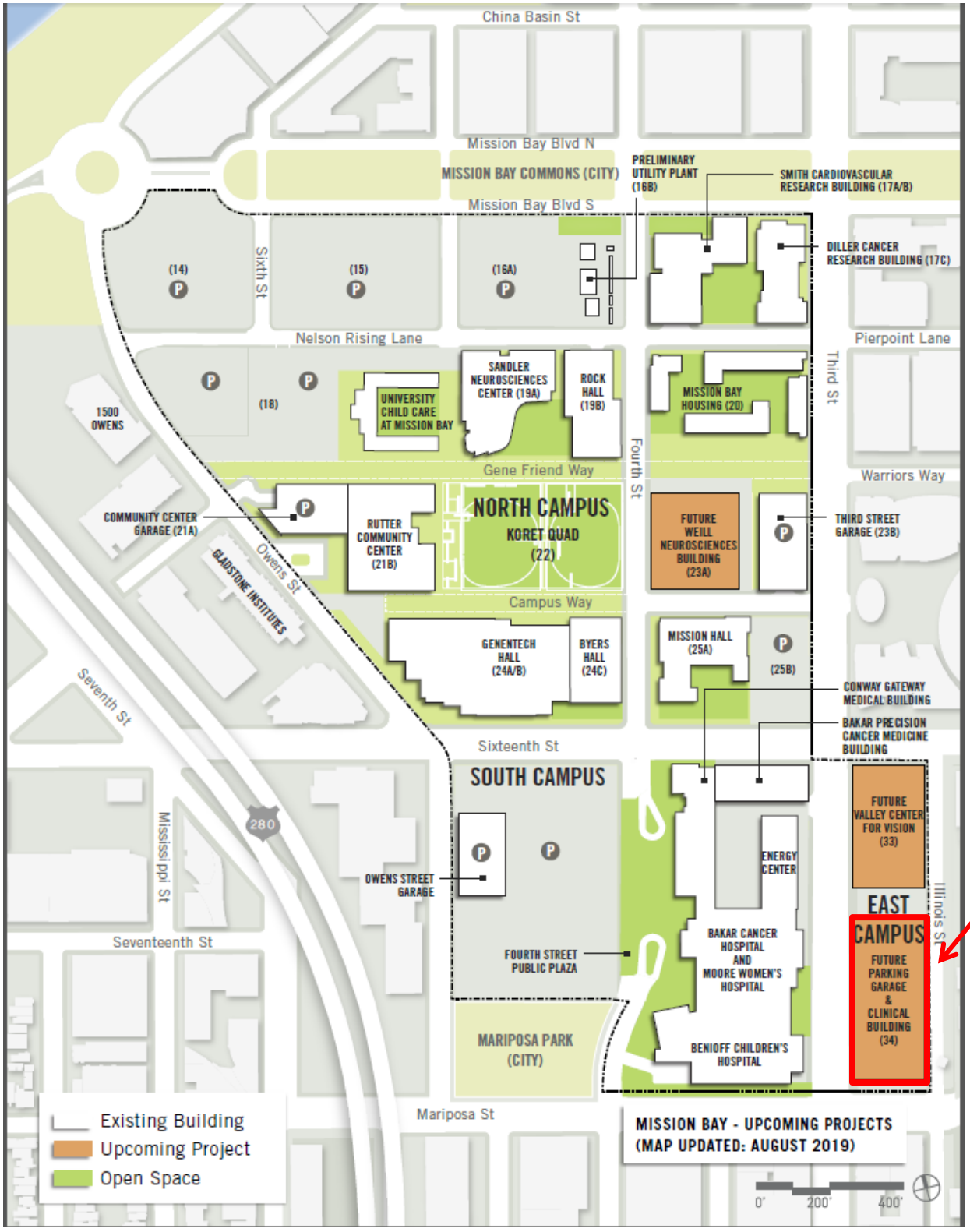
ATTACHMENT 1

Project Location Map



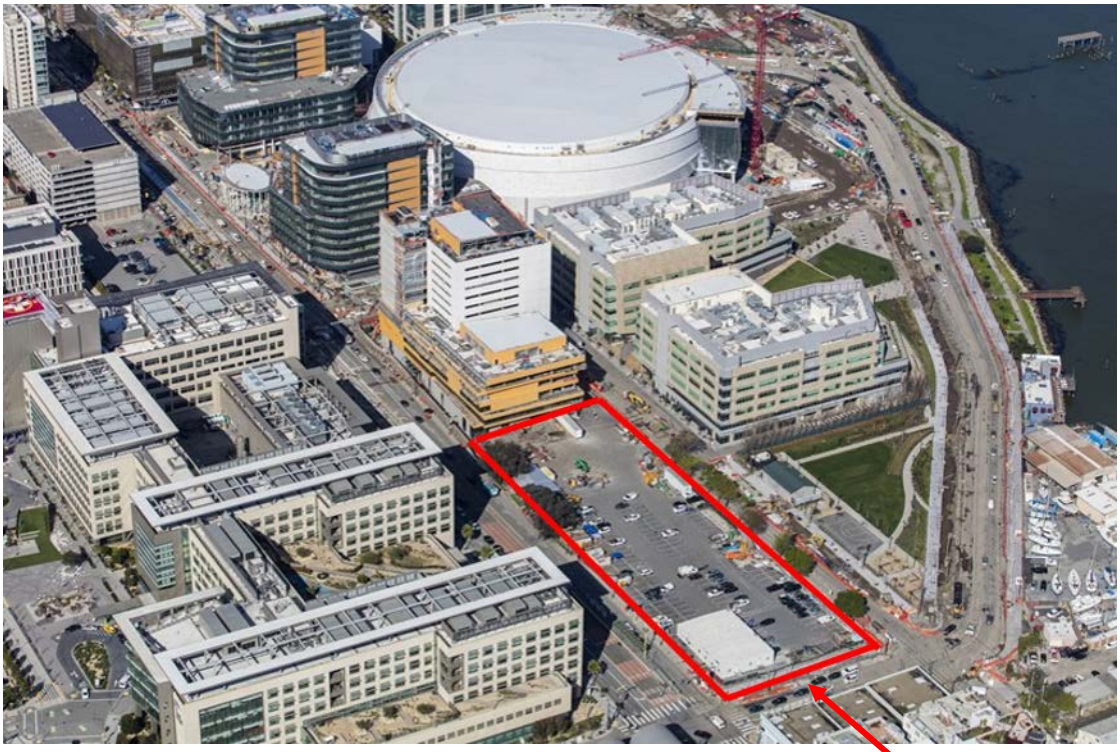
ATTACHMENT 2

Project Site Map



Project Site

Project Site Map



Mission Bay, Mariposa Street and Third Street

Mission Bay East Campus
Phase 2 (Block 34)
Parking Garage and Clinical
Building Site

ATTACHMENT 3

Summary of Alternatives Considered – Clinical Building

Several alternatives were considered for providing the needed space for an ambulatory surgery center, clinics, and proton therapy. These scenarios included providing separate and distinct space for the individual programs and locating the programs at different sites available to UCSF. Some of these alternative are described below.

Ambulatory Surgery Center and Clinic Scenarios

Lease Space for Ambulatory Surgery Center and Clinic

UCSF considered leasing space in a new building that was under construction adjacent to the Mission Bay South Campus site to accommodate the ambulatory surgery center and clinics, but the opportunity became unavailable when another entity leased the space. Requirements for these programs include being close to the Mission Bay Hospital, for which other lease options were not available.

Include Specialty-Specific Ambulatory Surgery Services in Other UCSF Buildings

Opportunities for locating individual outpatient surgery services in other projects to be constructed at Mission Bay were evaluated; however, this would perpetuate the duplication of support services and create more confusion for patients. The cost to provide OSHPD-3 space in the buildings designed for research was also prohibitive.

Stand-alone Proton Therapy Facility

Construct a Stand-Alone Proton Therapy Facility

Three primary proton therapy project alternatives were considered: 1) new construction at the UCSF Mission Bay campus site; 2) new construction of a center in a central Bay Area location and possibly in partnership with another cancer center; and 3) new construction at the UCSF Mount Zion campus site.

1) New construction at the UCSF Mission Bay campus site

   Construction of a proton therapy center on the Mission Bay campus, adjacent to the existing radiation oncology department, would provide convenience for patients meeting with physicians, receiving chemotherapy, or having imaging studies performed in conjunction with their proton therapy appointments. The location also would facilitate staffing of the center and make it easier for physicians to see their patients undergoing proton therapy. Patients living in the Bay Area would not be required to travel far from their homes during proton treatment and, therefore, would be able to continue their care with their UCSF providers without interruptions.

Proton therapy was originally considered for the site on which the Precision Cancer Medicine Building (PCMB) at Mission Bay constructed; however, this would have precluded the opportunity for providing the radiation oncology program that now is available as of summer 2019. UCSF decided to evaluate alternative solutions to provide proton therapy to its patients.

Analyses to site proton therapy on the Mission Bay Hospital Phase 2 site as a stand-alone building were evaluated. The equipment for proton therapy requires a low-profile building (no construction above the equipment vaults), which as a standalone building would result in lost opportunity for maximizing space that could be constructed on the site. There also were concerns about limiting the possibilities for the Hospital Phase 2 (size, location, access, etc.). These special requirements also eliminated options for leasing space, especially any opportunities near the Mission Bay Hospital.

2) New construction in a central Bay Area location and possibly in partnership with another cancer center

Consideration was given to constructing a new proton therapy center outside of San Francisco, to be owned and operated by UCSF alone or in conjunction with another cancer center. The location was intended to be central to a larger population base and one more conveniently located for patients. The cost of building and operating a center outside of San Francisco was also an attractive factor. Partnering with another hospital would bolster volumes, reduce the likelihood of another proton center being built in the area, and would defray the land and construction costs. Unfortunately, building a stand-alone center would require the replication of radiation oncology and imaging services since UCSF would not be able to leverage existing services located at Mission Bay, which represents a large capital and operational investment.

Operating a service with shared ownership and shared decision-making would limit UCSF's control and eliminate an opportunity to distance UCSF from its competitors in the market with this technology. Sharing an operation with a direct competitor requires a significant investment of time to manage and negotiate, and has a high potential for conflict. UCSF would compromise on its control, mission, competitiveness, and financial benefit.

3) New construction at the UCSF Mount Zion Campus site

A third stand-alone option is being evaluated, to construct new space at the Mount Zion campus site. Similar to the evaluation of the Mission Bay Hospital Phase 2 site, the analysis of the Mount Zion option will take into account the capacity for new construction at the campus site and what the effect would be on future programmatic opportunities. More information on this scenario can be provided when the analysis is completed.

Public-Private Partnership (P3) Proton Therapy

Consideration was given to utilizing Public-Private Partnership (P3) delivery. Although P3 arrangements have been utilized to deliver other proton therapy centers in the country, a P3 arrangement would reduce the control and flexibility for UCSF. In addition, a P3 would not allow UCSF to have the ability required to operate and maintain the proton therapy center to perform research in a flexible manner, if desired. A P3 approach would compromise UCSF's control in delivering, operating, and maintaining a new proton therapy center consistent with its goals.

No Proton Therapy Project

The "no proton therapy project" option would entail continuing to refer UCSF patients to an existing proton center elsewhere. There are no existing proton therapy centers in Northern California; the closest centers are Loma Linda University and California Protons Cancer Therapy Center in San Diego, which are 450 to 500 miles from UCSF's Mission Bay campus. The distance to these centers makes this an unattractive alternative, as does the lack of UCSF's ability to control the quality and effectiveness of the treatment its patients receive. By referring patients to proton therapy outside UCSF, the campus would also miss out on research and teaching opportunities, and risks not being a leader in radiation oncology innovation. Finally, UCSF would not participate in the financial benefit of treating this patient population for radiation oncology services, as well as other services that would be provided by a third-party cancer center. This option also may not provide an adequate replacement facility for the oncology program.

Locate the Three Programs Together in One Location

Several options for locating the ambulatory surgery center, clinics, and proton therapy programs together in a single building were evaluated.

- Redevelopment of 777 Mariposa, a UCSF-owned property in the Dogpatch neighborhood adjacent to the Mission Bay campus – Given the entitlement and height parameters for the 777 Mariposa site, to include proton therapy would require the ambulatory surgery center to be located on two floors (instead of the programmatic priority for a single floor), would allow for only a partial clinics program, and would eliminate the opportunity for future expansion space.

- Construction of New Building on the Mission Bay Hospital Phase 2 site – As with the stand-alone building for proton therapy, a larger building constructed on the site would have unknown impacts but would limit the flexibility for the future planning, design, and construction of the Phase 2 hospital expansion.

- Construction of New Building on the Mission Bay East Campus Phase 2 (Block 34) site – It was determined that all three programs, plus additional space capacity for future expansion, could be accommodated on the site, along with the separately proposed parking structure.

ATTACHMENT 4

Summary of Alternatives Considered – Parking Garage

Given the construction of several new buildings that will increase the faculty, staff, patient, and visitor population at the Mission Bay campus site over the next one to three years, construction of the proposed 500-space parking garage on the East Campus Phase 2 (Block 34) site is the only reasonable solution to meet the anticipated increase in parking demand. Information about an evaluation of adaptive-reuse design and parking policies are provided below.

Adaptive-Reuse Design

Transportation professionals expect that in 30 years demand for parking could decrease by 50 percent, with the anticipated presence of autonomous vehicles that drop off and pick up, and do not park. San Francisco is expected to be one of the first cities affected by this change, given, in part, its proximity to the high-technology innovation hub of Silicon Valley.

Taking into consideration this long-term forecast, UCSF studied the feasibility of constructing a garage that could be repurposed into other campus uses when demand for parking diminishes. Although repurposing is a trending concept, the study suggests that constructing an adaptive-reuse garage for this particular garage is not advisable. Reasons against proceeding are as follows:

- Reduction in Available Parking Spaces – Design of an adaptive-reuse parking garage requires higher floor-to-floor heights than required for traditional parking garages. In order to stay within the 90-foot height limit of the site, two levels of parking would be eliminated, with the number of parking spaces reduced by about 150 spaces. Going below grade is not possible, because of the high water table and subsurface conditions.

  To accommodate the loss of spaces, the campus also analyzed the use of parking stackers within an adaptive-reuse scenario; however, stackers are expensive to maintain and repair, deemed to present a high risk of vehicle damage or injury if not operated by a professional valet, and not favored by customers because of the extended time needed to retrieve vehicles. Therefore, operating parking stackers to make up the difference in the loss of parking spaces was considered but rejected.

- Reduction in Size of Proposed Clinical Building – In order to construct the maximum 500 spaces on the site and incorporate adaptive-reuse design elements, the footprint of the parking garage would need to be increased. UCSF is limited in the amount of construction that can occur on the site and increasing the footprint of the parking garage would reduce the footprint, and therefore the overall size, of the clinical building planned for the site. Given the current and projected demand for outpatient clinical services at Mission Bay, a smaller building would not meet the programmatic requirements of the project.

In addition to the programmatic disadvantages described above, adaptive-reuse options were estimated to add a construction premium compared to costs associated with building a traditional garage. For example, additional ventilation, infrastructure for additional elevators, and additional structural reinforcement for the higher floor-to-floor heights would increase the project costs.

Changes in Policies

UCSF already limits parking for tenants of campus housing and restricts parking permit sales to faculty and senior staff. Policy changes, however, do not affect the patient and related visitor population that is growing dramatically with the new clinical services being developed at the Mission Bay campus site; this population is the most likely to drive or be driven by a companion escorting them to the clinical appointment.

ATTACHMENT 5

Summary of Transportation Demand Management Program

To implement strategies set forth in the Long Range Development Plan and in concert with UCSF's goal of becoming increasingly sustainable and "carbon neutral," the campus has committed significant resources to Transportation Demand Management (TDM) programs. These programs have been very successful in reducing drive-alone trips and demand for parking. For two consecutive years (2017 and 2018), approximately 74 percent of all UCSF employees commuted to campus using modes other than driving alone in a car. Key components of UCSF's TDM program are described below:

- **Parking Eligibility Policies**: UCSF limits campus parking for tenants of some campus housing and restricts parking permit eligibility to faculty and senior staff, implicitly reducing demand for campus parking.

- **High Permit Costs**: UCSF charges a substantial fee for a monthly permit, which is an additional strategy that discourages the use of campus parking. As of 2019-20, permit holders are charged $250 per month[1], the highest permit rate in the UC system. Over the past years, permit rates have increased an average of 7.5 percent.

- **High Patient Parking Costs**: In 2019-20, public (patient) parking costs $32 a day, though the average patient visit is only two hours, which would cost an average patient $8. Patient and related visitor populations are highly dependent on cars to access the clinical services at the Mission Bay campus, given their health condition, distance travelled, and/or mobility devices/care seat use. The cost to park at UCSF is higher than at competing providers.

- **Public Transit**: The Mission Bay campus site is accessible via public transit (e.g., Muni buses and light rail, BART, and Caltrain), and is used by 32 percent of UCSF employees. With a ferry planned for Mission Bay in 2021, additional adoption of public transit is expected.

- **Campus Shuttle Program:** UCSF's shuttle fleet is used by 11 percent of UCSF employees and includes 65 vehicles and services 18 locations, including the last-mile connection to key public transit hubs.

- **Telecommuting**: Although most positions at UCSF are not conducive to telecommuting given the nature of the position's responsibilities (e.g., patient care, UCSF-employed logistics and bus drivers, grounds and maintenance), use of telecommuting is growing, with three percent of employees reporting that they telecommute at least one full day every two weeks.

[1] Lower-cost permits are available for evening parkers and carpoolers.

- **On- or Near-campus Housing and Amenities**: UCSF has significantly expanded the availability of campus housing and on-campus amenities (restaurants, childcare, etc.). Providing these services reduces the need to drive and demand for parking.