

Office of the President

TO MEMBERS OF THE FINANCE AND CAPITAL STRATEGIES COMMITTEE:

ACTION ITEM

For Meeting of January 20, 2021

**BUDGET; SCOPE; EXTERNAL, STANDBY, AND INTERIM FINANCING;
AMENDMENT #3 TO THE UC IRVINE 2007 LONG RANGE DEVELOPMENT PLAN;
AND DESIGN FOLLOWING ACTION PURSUANT TO THE CALIFORNIA
ENVIRONMENTAL QUALITY ACT, IRVINE CAMPUS MEDICAL COMPLEX,
IRVINE CAMPUS**

EXECUTIVE SUMMARY

UC Irvine Health is proposing to expand its medical enterprise by establishing a new medical site on UCI's North Campus that would offer a range of services, including inpatient, ambulatory, and emergency care. The proposed Irvine Campus Medical Complex (Medical Complex) project would construct just over 600,000 gross square feet (gsf) to provide a 128- to 144-bed hospital focusing on selected services, including oncology, orthopedics, neurosciences, spine, and digestive health; an ambulatory care center with comprehensive cancer services, outpatient surgery, and advanced imaging; and a central utility plant. The project includes construction of a 1,350-space parking structure (approximately 521,000 gsf) for patients, visitors, and staff. This project is crucial to the UCI Health enterprise as it would construct essential facilities needed to provide expanded access to high-quality care in the Orange County region.

At its June 2019 meeting, the Health Services Committee approved discussions of the Medical Complex project with the Finance and Capital Strategies Committee and subsequent requests to that Committee. At their March 2020 and May 2020 meetings, the Regents approved increments of preliminary plans (P) funding to allow for progress through the schematic design phase. At their September 2020 meeting, the Regents approved the project's full P funding of \$67,503,000 from hospital reserves. The Regents are now being asked to: (1) approve the full project budget of \$1,073,000,000 to be funded from external financing (\$823 million), hospital reserve funds (\$150 million), and gift funds (\$100 million); (2) approve the project scope; (3) approve external financing totaling \$823 million; (4) approve standby and interim financing totaling \$94,938,000; (5) certify the Subsequent Environmental Impact Report; (6) adopt the California Environmental Quality Act Findings and Statement of Overriding Considerations; (7) approve Amendment #3 to the 2007 Long Range Development Plan; and (8) approve the design.

RECOMMENDATION

The President of the University recommends that the Finance and Capital Strategies Committee recommend to the Regents that:

- A. The 2020-21 Budget for Capital Improvements and the Capital Improvement Program be amended as follows:
- From: Irvine: Irvine Campus Medical Complex – preliminary plans – \$67,503,000 to be funded from hospital reserves.
- To: Irvine: Irvine Campus Medical Complex – preliminary plans, design, construction, and equipment – \$1,073,000,000 to be funded by hospital reserves (\$150 million), gift funds (\$100 million), and external financing (\$823 million).
- B. The scope of the Irvine Campus Medical Complex shall consist of construction of approximately 604,732 gross square feet (gsf) of medical inpatient, ambulatory, and emergency services space, including a 128- to 144-bed hospital (344,643 gsf), and ambulatory care center (223,089 gsf), central utility plant (37,000 gsf); and approximately 521,282 gsf for a parking structure providing approximately 1,350 spaces. Site development shall include landscape and hardscape, two new access roads, and an events plaza between the hospital and ambulatory care center. The square footages noted are subject to change as the design is refined through the progressive design-build process.
- C. The President be authorized to obtain external financing in an amount not to exceed \$823 million plus additional related financing costs to finance the Irvine Campus Medical Complex project. 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 UC Irvine Medical Center 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.
- D. The President be authorized to obtain standby financing in an amount not to exceed \$19,838,000 and interim financing in an amount not to exceed \$75 million plus additional related financing costs to finance the Irvine Campus Medical Complex. The Irvine campus shall satisfy the following requirements:
- (1) Interest only, based on the amount drawn, shall be paid on the outstanding balance during the construction period.

- (2) Repayment of any standby debt shall be from gift funds. As gifts are received, the medical center will reimburse the standby financing in a timely fashion. If gift funds are insufficient and some or all of the debt remains outstanding, then hospital reserves shall be used to pay the debt service and to meet the related requirements of the authorized financing.
 - (3) To the extent additional gifts and other funds are received as cash, the amount of interim financing will be reduced. To the extent additional gifts are received as documented pledges, the interim financing will be converted to standby financing.
 - (4) If gifts or pledges are not received within seven years from the initial draw, the interim financing will be converted to long-term external financing or the Medical Center will pay down the interim financing.
 - (5) As long as the debt is outstanding, the general revenues of the UC Irvine Medical Center shall be maintained in amounts sufficient to pay the debt service and to meet the related requirements of the authorized financing.
 - (6) The general credit of the Regents shall not be pledged.
- E. Following review and consideration of the environmental consequences of the proposed Irvine Campus Medical Complex project and Long Range Development Plan Amendment #3, 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 Regents:
- (1) Certify the Subsequent Environmental Impact Report for the Irvine Campus Medical Complex project.
 - (2) Adopt the Mitigation Monitoring and Reporting Program for the Irvine Campus Medical Complex project and make a condition of approval the implementation of mitigation measures within the responsibility and jurisdiction of UC Irvine.
 - (3) Adopt the CEQA Findings and Statement of Overriding Considerations for the Irvine Campus Medical Complex project.
 - (4) Approve Amendment #3 to the 2007 Long Range Development Plan.
 - (5) Approve the design of the Irvine Campus Medical Complex project.
- F. The President be authorized, in consultation with the General Counsel, to execute all documents necessary in connection with the above.

BACKGROUND

UCI Health is the only university-based care provider in Orange County, serving a population of 3.3 million people. The enterprise includes the academic programs of the Susan and Henry Samueli College of Health Sciences on the main campus in Irvine, and the UC Irvine Medical Center (UCIMC) in the City of Orange. UCI Health also maintains a network of community clinics that provide ambulatory care in key geographic locations across the region. Refer to Attachment 4 for an overview of UCI Health locations.

UCIMC is comprised of a 417-bed acute-care hospital and adult Level I/pediatric Level II trauma center and is the primary clinical teaching location for the College of Health Sciences. Currently, inpatient bed capacity at UCIMC exceeds 100 percent occupancy in general acute units.

UCI Health is now proposing to expand its services by establishing a new medical site on UCI's North Campus (refer to Attachment 6 Campus Map/Site Orientation). The first project at this site, the Center for Advanced Care (formerly called the Center for Child Health/Medical Office Building), currently under construction, will provide pediatric and adult primary and secondary healthcare. The proposed Irvine Campus Medical Complex (Medical Complex) would expand services to include inpatient, ambulatory, and emergency care. The North Campus's central location in Orange County makes the proposed facility easily accessible to the target population, which is expected to grow to 3.7 million by 2028, with Irvine expected to experience the fastest growth within the county. This project is directly aligned with UCI Health's strategic planning goals and objectives, including ensuring appropriate and adequate access to care, being the destination provider for distinctive service lines, creating a competitive patient-centric ambulatory network, and providing unparalleled quality and value to patients.¹

The overarching vision for the Medical Complex is one that positions UCI Health for the future: a facility with a specialty focus on oncology, neurosciences, orthopedics, spine, and digestive health services that serves the needs of the community in a modern, efficient, and accessible manner while building upon UCI's strong clinical foundation and reputation in these key specialty areas. In addition to these key services, the facility will treat other elective and emergency medical cases, which will be limited in scope but designed to enhance access and support emergency care needs. Key project drivers for the development of the Medical Complex are included in Attachment 5.

PROJECT DESCRIPTION

The proposed project would construct approximately 604,732 gross square feet (gsf) of medical inpatient, ambulatory, and emergency services with a central plant, and a 521,282 gsf parking structure (refer to Attachment 7, Site Plan). The overall building program includes:

- 128- to 144-bed hospital (344,643 gsf), including inpatient services, emergency department, surgery department, and support services.

¹ <https://strategicplan.health.uci.edu/pdfs/UCI-Health-Strategic-Plan-Documents-Staff-and-Faculty-Edition.pdf>

- Ambulatory care center (ACC) (223,089 gsf), including comprehensive cancer services; outpatient surgery; diagnostics and treatment; support services, and shell space to support future growth in clinics.
- Central utility plant (37,000 gsf).
- Parking structure (521,282 gsf) providing approximately 1,350 spaces.

The table below provides a summary of the space to be provided; square footages are subject to change as the design is refined through the progressive design-build process. The table is followed by a description of the activities to be housed in each building.

TABLE: Proposed Program Area Summary

Department/Program	ASF	GSF
<u>Hospital</u>		
Inpatient Services	87,170	
Emergency Department	9,105	
Diagnostic Imaging	8,805	
Surgery	27,985	
Support Services	30,792	
Total - Hospital	163,857	344,643
<u>Ambulatory Care Center</u>		
Cancer Clinics	17,695	
Outpatient Surgery	30,096	
Diagnostics & Treatment	34,638	
Support Services	11,835	
Shell Space *	13,000	
Total - ACC	107,264	223,089
Total - Hospital and ACC	271,121	567,732
<u>Central Utility Plant</u>		37,000
<u>Parking Structure</u>		521,282
Total - Medical Complex	271,121	1,126,014

* Approximately 27,000 gsf of shell space is included, which would provide approximately 13,000 asf when built out.

Hospital

The hospital would be a seven-story inpatient treatment facility designed to meet the California Office of Statewide Health Planning and Development (OSHPD) Level 1 requirements. The programs in the hospital include:

Inpatient Services: A total of 128 to 144 beds would be provided for Oncology, Neurological/Orthopedics/Spine, Digestive Health, and Medical/Surgical. The campus is exploring the possibility of increasing the total beds if they can be provided within the approved budget. A pharmacy and an observation unit accommodating 16 patients would also be provided.

Emergency Department: Includes 24 treatment rooms, isolation rooms, rapid assessment rooms, and support space.

Diagnostic Imaging: Includes general radiology, computerized tomography suite, magnetic resonance imaging suite, and support.

Surgery: Includes eight operating rooms and associated support; post-anesthesia recovery units (PACU), preparation/recovery units, and support; and sterile processing facilities.

Support Services: Includes Central Laboratory and Blood Bank; On-Call and Admitting; morgue; Materials Management; Facilities/Security/Biomed Engineering/IT; food operations; public spaces such as information desk, gift shop, meditation/waiting area; and hospital administration.

Ambulatory Care Center

The Ambulatory Care Center (ACC) would be a five-story outpatient clinical facility designed to meet OSHPD Level 3 requirements. Programs include:

Cancer Clinics: Includes examination rooms, patient support areas, and staff support areas for cancer services including a breast center.

Outpatient Surgery: Includes ten operating rooms, two shelled operating rooms for future expansion, and associated support, as well as PACU and preparation/recovery areas and support.

Diagnostics and Treatment: Includes procedure rooms and support; outpatient imaging; cancer diagnostics and treatment areas; infusion center; infusion pharmacy; and phlebotomy laboratory.

Support Services: Includes research support space for clinical trials; clinics administration; outpatient pharmacy; materials management/receiving/environmental services; facilities/security/biomedical engineering; public spaces, including café, gift shop, conference area, and patient education; physician administrative space; and central registration.

Shell Space: Provides a floor of shell space to be built out as a separate, future project. The build-out would provide clinical and support space to accommodate growth in the cancer program and other clinical initiatives. If budget issues arise, the campus may elect to reduce or eliminate this space.

Central Utility Plant (CUP)

The CUP would provide steam and chilled water systems and electricity to serve the hospital and ACC; the CUP would be designed to meet OSHPD Level 1 requirements as well as the University of California Sustainability Policy. CUP operations would be fossil-fuel-free, with natural gas provided only for use in equipment sterilization and humidification.

Parking Structure

A parking structure with approximately 1,350 parking spaces is proposed to accommodate building staff, patients, and visitors. No parking currently exists at this location. The Center for Advanced Care project currently under construction includes a parking structure to meet the needs of that facility, but all Medical Complex parking needs must be addressed as part of this project.

Site Work

The site currently is undeveloped land. Site development will provide new landscape and hardscape, sidewalks, and bicycle paths. Two new access roads would be provided from Jamboree Road to ease access and entry. An Events Plaza between the hospital and ACC would be constructed, with stairs with respite terraces leading from the plaza to the marsh edge. Utilities would include new storm drainage, sanitary sewer, domestic water, fire water, and reclaimed water. All stormwater runoff would be collected and treated in a retention system before draining to the wetlands.

Funding Plan and Financial Feasibility

The project budget is estimated to total approximately \$1,073,000,000, to be funded from external financing (\$823 million), hospital reserves (\$150 million), and gift funds (\$100 million).

Financial Feasibility

Diligent financial planning and analysis have been done in relation to this project. It is anticipated that, while the capital investment will be significant, the case mix, payer mix, and anticipated cost structure result in a financially favorable output that is projected to meet the metrics of the UC Debt Policy. As of June 30, 2020, the UCI Medical Center has a 6.4 percent operating margin, 6.6 debt service coverage, and 177 days' cash on hand. These numbers include adjustments for non-cash pension and other post-employment benefit (OPEB) items, which is allowed by the Debt Policy. Over a ten-year projection period, operating margin is projected to remain at or above the required zero percent, the debt service coverage ratio is projected to remain above the required floor of 3.0x, inclusive of existing and planned initiatives, and days' cash on hand projections remain well above the 60-day requirement, which meet the requirements of the University's Debt Policy. See Attachment 3A for a detailed summary of financial feasibility and discussion of projected financial performance.

The favorable debt metrics noted above are predicated on a long-term debt of \$823 million amortized over 40 years at the planning rate of six percent. Current bond market conditions are highly favorable to issuers. Should these conditions continue until the issuance of the project's long-term financing, currently estimated in FY2022-23, the financing will have a lower cost of capital than modeled for the project feasibility. Analysis using a more favorable rate of four percent further strengthens the debt metrics, as shown in Attachment 3B.

Status of Gift Campaign

The funding plan includes a community-based capital campaign of \$100 million. As of October 30, 2020, the gift campaign status is as follows:

Cash in hand	\$ 5,162,000
Pledges received	\$ 19,838,000
Gifts to be raised	<u>\$ 75,000,000</u>
Total	\$100,000,000

Approval of standby financing of \$19,838,000 and interim financing of \$75 million is requested to meet Regental policy to have funds on hand at the time of contract award.

The \$19.8 million in pledges is expected to be paid in installments over eight years between 2021 and 2028. As funds are received, they will be used to pay down the standby financing outstanding over the eight-year period. If gift funds are insufficient and some or all of the standby financing remains outstanding after the eight-year period, hospital reserves shall be used to pay down the standby financing.

As additional gifts are received as cash, the amount of interim financing will be reduced. If additional gifts are received as documented pledges, the interim financing will be converted to standby financing. If all gifts or pledges are not received within seven years from the initial draw, the interim financing will be converted to long-term external financing, or UCI Health will pay down the interim financing.

PROJECT DESIGN

Project Site

The project site is approximately 14.5 acres of undeveloped land on UCI's North Campus, on the south side of Jamboree Road and west of Birch Street in Irvine (refer to Attachment 6). The Center for Advanced Care (formerly called the Center for Child Health/Medical Office Building), currently under construction, is immediately to the north. The San Joaquin Marsh Reserve bounds the site to the south (refer to Attachment 7, and Design Graphics, Attachment 8).

The site would be separated from the Center for Advanced Care (CAC) to the north by an "esplanade" that would provide vehicular and pedestrian access to both the CAC and Medical Complex. The project would be oriented along the south end of the new esplanade, across from the CAC. The parking structure and central utility plant would be located to the west on the site for ease of access for vehicular traffic to and from Jamboree Road. The medical complex is due south of the parking and main esplanade with the acute care hospital located to the west on the site and the ACC to the east. The medical buildings would be adjacent to the San Joaquin Marsh, providing expansive and tranquil views to enhance the patient experience. The site between the parking garage and medical buildings would include a patient drop-off area and accessible parking. An events plaza and healing garden would be provided between the hospital and ACC. This site organization separates vehicular traffic from patient-care areas and solidifies a strong relationship between the hospital and ACC. Siting, massing, and grading enhance the patient and

visitor experience by creating intuitive way-finding and encouraging engagement with the outdoors.

Building Design

The Medical Complex will serve as a transition between city and marsh reserve, as a gateway element between the community and UCI's main campus, and as a landmark for healing and health. The design uses architectural elements to respond to both the city and marsh environments and prioritizes programs that benefit most from access to nature by giving all long-term patient spaces, staff workspaces, and gathering areas views toward the marsh. Facing Jamboree Road, a clear entry roadway and an iconic canopy visually announce the arrival to the Medical Complex.

The seven-story hospital and five-story ACC feature a tripartite layering, distinguishing base, middle, and top. Though the Hospital and ACC have the same look and feel, they are clearly functionally distinct facilities. At the ground level (Garden Level), the buildings connect to form a single facility, enabling shared resources and fluid travel of staff and materials. The Garden Level is partially below grade to take advantage of the contours of the site, allowing for the main entry at the level above (Level 1).

The entry level of the hospital and ACC engages pedestrians through a visually open and glassy façade. The entry lobby opens to the Events Plaza, offering views to the marsh, dining, outdoor terraces, and access points to interior public areas. The lobby of the ACC includes public functions such as registration, retail pharmacy, café, and conference and community rooms. Separate elevator banks guide different patient types to their designated departments, managing patient flows and decongesting the elevators.

Level 2 of the hospital is a staff-only clinical service floor, providing streamlined services to the patient tower above and opportunity for staff respite areas away from patients. Patient units on Levels 3 through 6 are organized in eight-bed neighborhoods, with four neighborhoods to a floor.

The clinic layout on the upper floors of the ACC utilizes a standardized module organized around a team collaboration zone. The patients travel to their examination rooms via a patient-only corridor, separated from staff workspaces and connected by a waiting zone on the west side and by staff circulation and support on the east side.

The concrete parking structure is screened with perforated and solid metal panels to blend in with the campus language in a neutral manner. The angle on the west side of the structure meets the angle of the entry drive, accentuating the view of the marsh and the direction of travel. Entries to the structure are not off the main road, so the west facade becomes a backdrop to green space and pedestrian paths without distracting patients with multiple options. The elevator tower, located closest to the hospital and ACC, leads patients intuitively toward their destination. Patients exit into a pedestrian-only promenade with clear paths and entries. The screening of the parking structure will shield the view of cars from adjacent buildings and the street level.

Design Response to Pandemics

There are several ways in which the design is responsive to the current pandemic environment. The hospital is being proposed with universal care inpatient rooms. Each room is designed and provides the necessary infrastructure to accommodate the level of care required in an Intensive Care Unit (ICU). This will provide full flexibility in pandemic situations to flex from medical-surgical bed units to ICU units in an emergency situation. A variety of outdoor spaces have been provided to maximize opportunities for social distancing. These areas have been placed next to waiting areas to allow options for distancing coupled with application-based technology solutions for patients who are waiting for their appointments to be able to wait outside of the building. Appropriate areas have been identified adjacent to the hospital that could act as surge space for tents or trailers in the event of a pandemic. These areas will be provided with outdoor utility connections to support temporary surge structures.

Materials

Building materials support the campus requirement for buildings to last a minimum of 70 years with no major maintenance required for 20 years. Durable, low-maintenance materials such as cast-in-place concrete, precast concrete or masonry units; metals such as anodized aluminum or copper; glass and tile; and stone or composite materials such as terrazzo would be used.

Physical Design Framework

The 2010 Physical Design Framework (PhDF) outlines three major principles guiding future development of the campus: 1) create places that support the mission of the university, 2) build a cohesive academic community, and 3) promote environmental quality. The PhDF provides key planning and architectural objectives for the North Campus planning sector. For the Medical Complex, key planning objectives include recognizing and being sensitive to the site's location between its urban neighbors and the San Joaquin Marsh Reserve; adopting an architectural and landscape vocabulary that proves an affinity with the UCI campus; and minimizing development impacts to the San Joaquin Marsh Reserve. Key architectural guidelines include employing enduring designs for campus buildings that evoke a sense of permanence; strengthening interdisciplinary collaboration by providing opportunities for intellectual and social interaction; and reinforcing UCI's commitment and leadership position in green building design.

Sustainable Practices

The project would be a model of sustainability for the campus and healthcare in the region. It would comply with the 2020 University of California Sustainable Practices Policy and achieve a minimum Leadership in Energy and Environmental Design (LEEDTM) building certification level of Gold with stretch targets for Platinum. The project would participate in the Southern California Edison Savings by Design energy conservation program, outperform the California Energy Code by 20 percent, and incorporate mandatory sustainable features outlined in the Cal-Green Building Code. An overview of sustainability goals is provided in the Design Graphics package, Attachment 8. Notable green building features of the project include the following:

- Reduced light pollution

- High-efficiency LED lighting design and controls
- Fossil-fuel-free central plant
- Heat-recovery chillers
- Recycled water in CUP cooling towers, resulting in unprecedented saving of potable water
- State-of-the-art stormwater treatment, providing a water source to support critical San Joaquin Marsh habitat
- State-of-the-art condensate water recovery system to provide an additional water source to support critical San Joaquin Marsh habitat (under study)
- Net increase in habitat quality and quantity to support Marsh-critical species and habitat
- Integration with the UCI Naturescape Program to support campus natural areas, wellness, art, and community engagement
- Extensive consultation on site and project design with UCI scientists who lead UCI's sustainability efforts, and collaboration on operations to improve the wellness of campus habitat areas and the wellness and engagement of Medical Complex users

Project Delivery and Schedule:

The project uses a “progressive” design-build delivery process, which balances project complexity, risk, and industry best practices by allowing the chosen design-build team and UCI to progress collaboratively to a Guaranteed Maximum Price consistent with the project budget. This process is designed to manage the complexity associated with a medical center project and to ensure that stakeholders and agency reviews are incorporated into the project. The design-build process is highly efficient, reduces the risk of claims, and allows the contractor's technical expertise and creativity to be incorporated into the design process from the beginning. As a result of this process, as well as favorable market conditions, the design-build team's construction cost estimate was significantly less than the programmatic estimate developed during project planning. Consequently, the campus was able to consider adding beds to the hospital and a floor of shell space to the ACC, as described in the Project Description. Construction would begin in early 2021 with completion targeted for the summer of 2025.

LONG RANGE DEVELOPMENT PLAN AMENDMENT

The project site is within the North Campus development program set forth in the 2007 Long Range Development Plan (LRDP) (Attachment 10) and has a LRDP land use designation of Mixed Use – Commercial, which permits a broad array of uses, including office, research and development, and academic facilities; commercial and retail space; conference facilities; residential facilities; and clinical facilities. The proposed project includes Amendment #3 to the 2007 LRDP to also allow inpatient uses under the Mixed Use – Commercial land use designation in order to accommodate the new hospital. The LRDP text change is provided in Attachment 12.

CALIFORNIA ENVIRONMENTAL QUALITY ACT COMPLIANCE

A summary of the environmental impacts of the proposed project is provided in Attachment 13. Pursuant to the California Environmental Quality Act (CEQA) and University of California Procedures for Implementation of CEQA, a Subsequent Environmental Impact Report (SEIR)

was prepared for the Irvine Campus Medical Complex project and LRDP Amendment #3. The SEIR and Findings, provided in Attachments 14 and 15, have been prepared to support the University's determination regarding project impacts, mitigation measures, and CEQA alternatives.

KEY TO ACRONYMS:

ACC	Ambulatory Care Center
ASF	Assignable Square Feet
CEQA	California Environmental Quality Act
EIR	Environmental Impact Report
GSF	Gross Square Feet
LRDP	Long Range Development Plan
Medical Complex	Irvine Campus Medical Complex
OSHPD	California Office of Statewide Health Planning and Development
PACU	Post-Anesthesia Recovery Unit
SEIR	Subsequent Environmental Impact Report
UCIMC	UC Irvine Medical Center

ATTACHMENTS:

Attachment 1	Project Sources and Uses
Attachment 2	Comparable Projects
Attachment 3A	Summary Financial Feasibility Analysis
Attachment 3B	Summary Financial Feasibility Analysis at 4 percent Interest Rate
Attachment 3C	Ten-Year EBIDA Projections
Attachment 4	UCI Health System Locations
Attachment 5	Project Drivers
Attachment 6	Campus Map/Site Orientation
Attachment 7	Site Plan
Attachment 8	Design Graphics
Attachment 9	Alternatives Considered
Attachment 10	2007 LRDP: https://cpep.uci.edu/physical/campus-lrdp.php
Attachment 11	2007 LRDP EIR: https://cpep.uci.edu/environmental/campus-feir.php
Attachment 12	LRDP Amendment #3 Text Revision
Attachment 13	Environmental Impact Summary
Attachment 14	Subsequent Environmental Impact Report and Mitigation Monitoring and Report Program: https://cpep.uci.edu/environmental/pdf/review/ICMC_Draft-SEIR.pdf https://cpep.uci.edu/environmental/pdf/ICMC_Final_SEIR.pdf https://cpep.uci.edu/environmental/review.php
Attachment 15	CEQA Findings and Statement of Overriding Considerations

PROJECT SOURCES AND USES
IRVINE CAMPUS MEDICAL COMPLEX (CCCI 7584)

PROJECT SOURCES:	Total	% of Total
Gift Funds	\$100,000,000	9.3%
Hospital Reserves	\$150,000,000	14.0%
External Financing	\$823,000,000	76.7%
Total	\$1,073,000,000	100.0%

PROJECT USES:

Category	Hospital/ ACC/Site	Parking Structure	Central Utility Plant	Total Project	% of Total
Site Clearance	\$195,000	\$0	\$0	\$195,000	0.0%
Building	\$537,168,000	\$38,312,000	\$44,239,000	\$619,719,000	75.0%
Exterior Utilities	\$7,990,000	\$0	\$0	\$7,990,000	1.0%
Site Development	\$37,872,000	\$0	\$0	\$37,872,000	4.6%
A/E Fees ¹	\$44,898,000	\$2,949,000	\$3,406,000	\$51,253,000	6.2%
Campus Administration ²	\$28,061,000	\$1,843,000	\$2,129,000	\$32,033,000	3.9%
Surveys, Tests, Plans	\$5,613,000	\$369,000	\$426,000	\$6,408,000	0.8%
Special Items (excluding financing costs) ³	\$30,678,000	\$2,869,000	\$3,313,000	\$36,860,000	4.5%
Contingency	\$29,132,000	\$1,916,000	\$2,212,000	\$33,260,000	4.0%
Subtotal	\$721,607,000	\$48,258,000	\$55,725,000	\$825,590,000	100%
Group 2 & 3 Equipment	148,530,000	407,000	473,000	149,410,000	
Project Total	\$870,137,000	\$48,665,000	\$56,198,000	\$975,000,000	
Interest During Construction	\$87,460,000	\$4,892,000	\$5,648,000	\$98,000,000	
Grand Total	\$957,597,000	\$53,557,000	\$61,846,000	\$1,073,000,000	

Project Statistics:	Hospital/ ACC/Site	Parking Structure	Central Utility Plant	Total Project
Gross Square Feet (GSF) ⁴	567,732	521,282	37,000	1,126,014
Assignable Square Feet (ASF) ⁴	271,121			271,121
Efficiency Ratio: ASF/GSF (%)	48%			

Parking Spaces		1,350		
Building Cost/GSF ⁴	\$946	\$73	\$1,196	\$550
Building Cost/ASF ⁴	\$1,981			\$2,286
Project Cost/GSF ⁴	\$1,271	\$93	\$1,506	\$733
Project Cost/ASF ⁴	\$2,662			\$3,045
Project Cost/Parking Space	NA	\$35,747	NA	

¹ Fees include executive architect basic services, which will be set during the design-build competition.

² Campus Administration includes quality assurance, project management, and inspection.

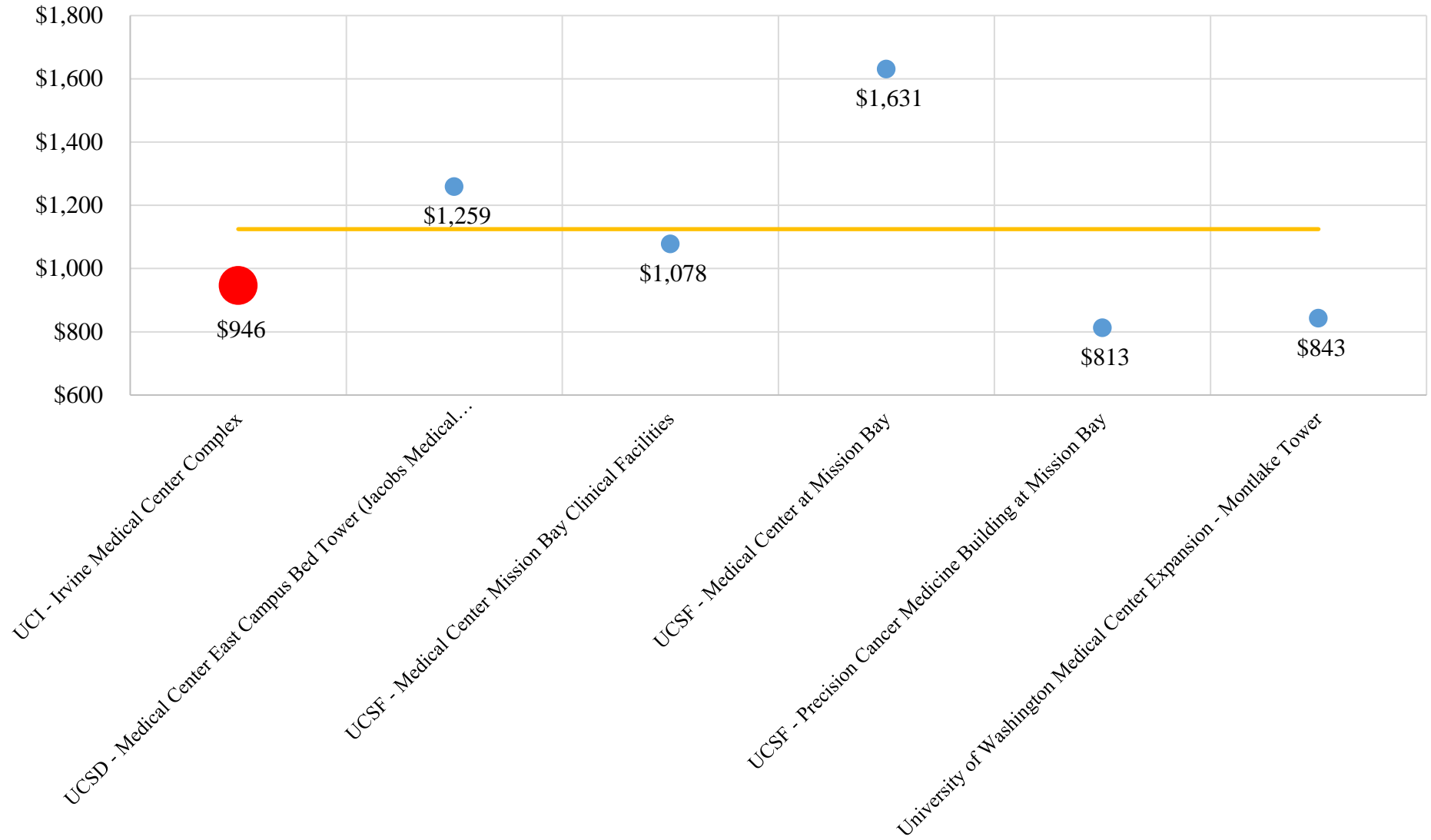
³ Special Items include Detailed Project Program; market analyst; UCI Health consultant/owner's representative; biological resources study; geotechnical report; CEQA traffic analysis; Irvine Ranch Water District Sub Area Master Plan; offsite traffic mitigation cost estimate; traffic modeling and impact analysis; cultural resources study; bird survey; utility potholing/surveying; plan review; commission building systems; Environmental Impact Report; cost schedule review; facilities shutdowns; hazardous-material survey/monitoring; vibration/acoustical consultant; temporary utilities for shutdowns; agency-required material testing; OSHPD fees; medical equipment coordinator; hospital data/communications consultant; EH&S during construction; soil vapor mitigation; specialty consultants; food service; vertical transportation; accessibility; hardware/security consultant; waterproofing/roof consultant; exterior signage; UCI Health parking; utility coordinator; arborist during construction; paleontologist/tribal monitoring; non-medical furniture, fixtures and equipment coordination; air and water quality management permits; seismic peer review; SCE temporary power infrastructure; and SCE permanent power infrastructure.

⁴Gross square feet (GSF) is the total area, including usable area, stairways, and space occupied by the structure itself. Assignable square feet (ASF) is the net usable area.

COMPARABLE PROJECTS – HOSPITALS AND CLINICS

#	Project Name	City / Campus	GSF	Mid-Point of Construction Year	Building Construction Cost*	Adj. Building Cost**	Adj. Building Cost / GSF**	Total Project Cost*	Adj. Total Project Cost**	Adj. Total Project Cost / GSF**
COMP AVERAGES							\$1,125			\$1,710
1	UCI - Irvine Medical Center Complex	Irvine	567,732	2022	\$537,168,000		\$946	\$957,597,000		\$1,687
2	UCSD - Medical Center East Campus Bed Tower (Jacobs Medical Center)	San Diego	582,343	2017	\$607,812,000	\$733,270,000	\$1,259	\$942,790,000	\$1,137,391,000	\$1,953
3	UCSF - Medical Center Mission Bay Clinical Facilities	San Francisco	841,500	2012	\$719,712,000	\$907,126,000	\$1,078	\$1,339,115,000	\$1,687,822,000	\$2,006
4	UCSF - Medical Center at Mission Bay	San Francisco	1,756,000	2012	\$2,271,755,000	\$2,863,322,000	\$1,631	\$2,838,755,000	\$3,577,969,000	\$2,038
5	UCSF - Precision Cancer Medicine Building at Mission Bay	San Francisco	179,650	2018	\$150,439,000	\$146,024,000	\$813	\$282,800,000	\$274,500,000	\$1,528
6	University of Washington Medical Center Expansion - Montlake Tower	Seattle	273,400	2010	\$157,276,084	\$230,464,000	\$843	\$191,708,080	\$280,919,000	\$1,028
	<p>* For University of California projects, "Building Construction Cost" is taken from "Building" in Project Uses; "Total Project Cost" is the Grand Total Project cost and includes P-W-C-E including if applicable, interest during construction.</p> <p>** All comparable projects have been adjusted to the project city and year using a combined factor of RS Means City Cost Index (to account for location) and RLB Construction Cost Index (to account for prior years).</p>									

ADJUSTED BUILDING COSTS PER GSF
WITH LINE OF AVERAGE

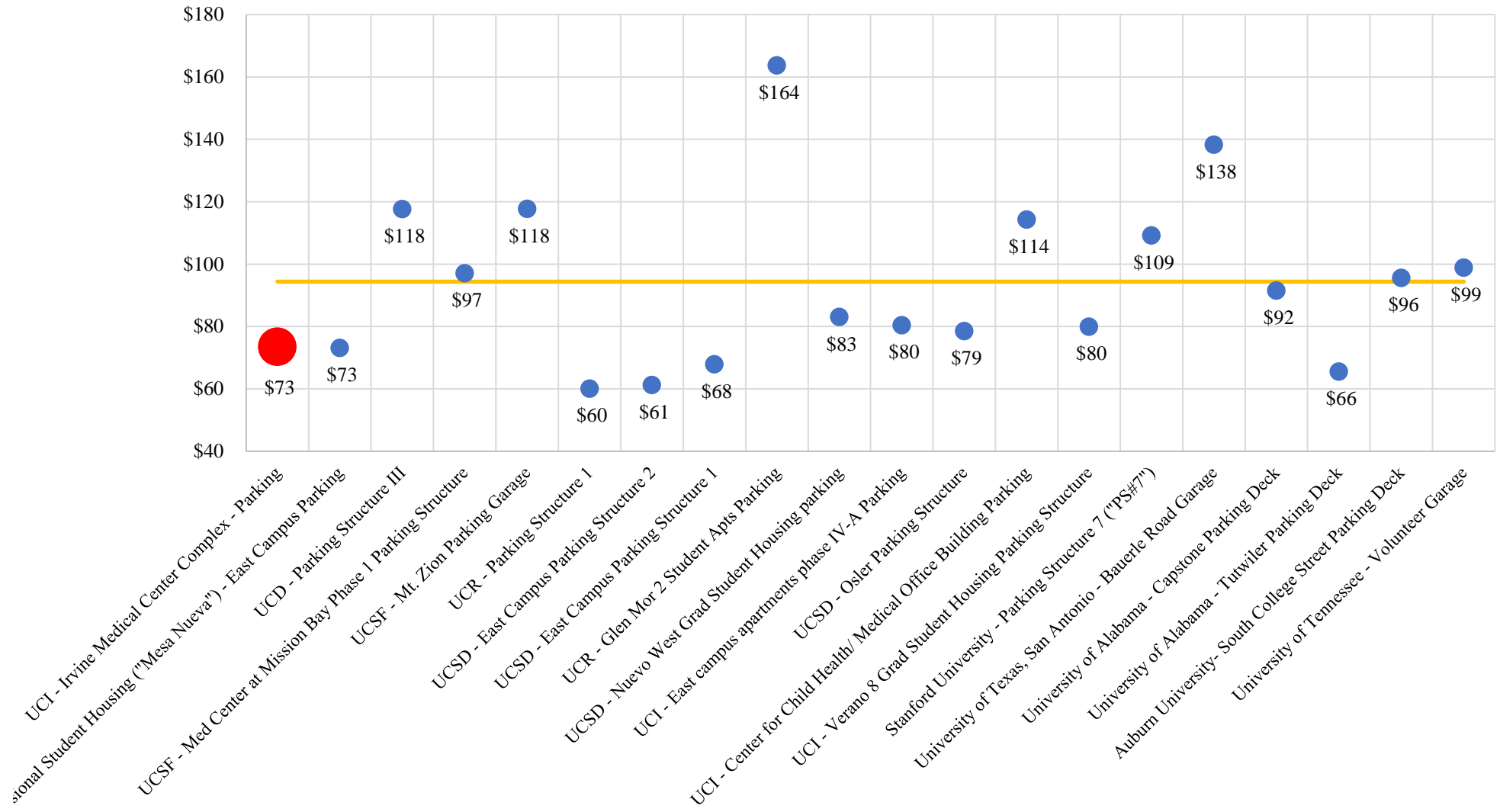


COMPARABLE PROJECTS – PARKING STRUCTURES

#	Project Name*	City / Campus	GSF	Md. Pt. Const Yr	Spaces	Building Construction Cost**	Adj. Building Cost***	Adj. Building Cost / GSF***	Total Project Cost**	Adj. Total Project Cost***	Adj. Total Project Cost/ GSF***	Adj. Building Cost / Space**	Adj. Total Project Cost / Space**
						COMP AVERAGES		\$94			\$128	\$31,317	\$42,232
1	UCI - Irvine Medical Center Complex - Parking	Irvine	521,282	2022	1,350	\$38,312,000		\$73	\$53,557,000		\$103	\$28,379	\$39,672
2	UCSD - Grad and Professional Student Housing ("Mesa Nueva") - East Campus Parking	San Diego	284,000	2016	900	\$16,657,000	\$20,755,000	\$73	\$20,746,000	\$25,850,000	\$91	\$23,061	\$28,722
3	UCD - Parking Structure III	Davis	420,910	2011	1,215	\$33,861,000	\$49,518,000	\$118	\$46,515,000	\$68,023,000	\$162	\$40,756	\$55,986
4	UCSF - Med Center at Mission Bay Phase 1 Parking Structure	San Francisco	223,300	2011	621	\$16,813,000	\$21,674,000	\$97	\$22,877,000	\$29,492,000	\$132	\$34,902	\$47,491
5	UCSF - Mt. Zion Parking Garage	San Francisco	89,000	2012	228	\$8,258,472	\$10,476,000	\$118	\$16,750,000	\$21,248,000	\$239	\$45,947	\$93,193
6	UCR - Parking Structure 1	Riverside	350,728	2020	1,079	\$20,357,000	\$21,075,000	\$60	\$31,844,000	\$32,967,000	\$94	\$19,532	\$30,553
7	UCSD - East Campus Parking Structure 2	San Diego	438,292	2015	1,249	\$20,469,000	\$26,835,000	\$61	\$25,645,000	\$33,621,000	\$77	\$21,485	\$26,918
8	UCSD - East Campus Parking Structure 1	San Diego	470,200	2011	1,245	\$20,667,000	\$31,909,000	\$68	\$26,105,000	\$40,305,000	\$86	\$25,630	\$32,373
9	UCR - Glen Mor 2 Student Apts Parking	Riverside	101,725	2012	596	\$11,228,000	\$16,648,000	\$164	\$15,148,000	\$22,460,000	\$221	\$27,933	\$37,685
10	UCSD - Nuevo West Grad Student Housing Parking	San Diego	420,000	2018	1,200	\$30,279,000	\$34,871,000	\$83	\$39,667,000	\$45,683,000	\$109	\$29,059	\$38,069
11	UCI - East Campus Apartments Phase IV-A Parking	Irvine	188,825	2019	530	\$13,867,000	\$15,176,000	\$80	\$23,601,000	\$25,829,000	\$137	\$28,634	\$48,734

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ADJUSTED BUILDING COSTS PER GSF WITH LINE OF AVERAGE



**SUMMARY FINANCIAL FEASIBILITY ANALYSIS.
at 6.0 Percent Interest Rate**

Project Title: **UC Irvine Medical Complex**

Total Estimated Project Cost: \$1,073,000,000

Proposed Sources of Funding:

External Financing	\$823,000,000
Gifts (as of 10-30-2020)	
Cash in hand	\$5,162,000
Pledges received (standby financing)	\$19,838,000
Gifts to be raised (interim financing)	\$75,000,000
Hospital Reserves	\$150,000,000
Total	\$1,073,000,000

Proposed New Long-term Financing \$823,000,000

Projected Financing Terms:

Interest Rate	6.0%	
Term	40 years, 3 year principal deferral	
Average Annual Debt Service		\$55.8 million

Existing Hospital System Long- term Debt June 30, 2020: \$568 million

Estimated Combined Annual Debt Service as of FY 2030: \$83.2 million

UCI Health's consolidated projected debt service coverage and days' cash on hand remain above the University's debt policy metrics of 3.0x coverage and 60 days, respectively, over the planning period.

	Actual					Projected					
	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030
Debt Service Coverage	6.60	6.89	6.47	5.04	3.97	4.59	4.70	4.91	5.12	5.16	5.18
Days Cash on Hand	177	120	99	96	89	83	80	80	83	89	93

Debt service includes existing obligations, projected commercial paper interest expense, and new long-term debt service for the project. New debt service in FY 2022-23 assumes interest only on bonds issued in January of 2023 followed by three years of principal deferral.

UCI Health
Consolidated Financial Projections
Executive Summary

Included in this attachment is an overview of the consolidated UCI Health financial projections, which is comprised of the existing UCI Health Enterprise financial projections and the new UC Irvine Medical Complex financial projections. Also included is a summary of the key UCI Health Enterprise projection assumptions and the major UC Irvine Medical Complex projection assumptions.

The UCI Health Enterprise financial projections are based on a combination of key assumptions from the Office of the President, where available, and local assumptions for years beyond 2020. The local assumptions are based on a review of: (1) UC Health's recent service mix and financial performance; (2) the occupancy and outpatient volume levels experienced in the past few years; (3) projections of continued revenue/program enhancements, (4) projections of increased patient volume and increased demand for outpatient services; and (5) volume and financial impacts related to the COVID-19 pandemic.

UCI Health Consolidated Projection Summary

Total revenue in 2020 was \$1.35 billion and is projected to increase from \$1.42 billion in 2021 to \$2.24 billion in 2026 and \$2.93 billion in 2030, as a result of ongoing strategies to optimize reimbursement, projected patient volume growth and increased market share in select service lines, and the addition of the UC Irvine Medical Complex. The UC Irvine Medical Complex is assumed to account for \$309 million of the increased revenues in 2026 and \$552 million in 2030.

Total operating expense in 2020 was \$1.46 billion and is projected to increase from \$1.5 billion in 2021 to \$2.15 billion in 2026 and \$2.9 billion in 2030 due to increase in patient volumes, the impact of inflation, increased depreciation expense, and the addition of the UC Irvine Medical Complex. The UC Irvine Medical Complex is assumed to account for \$220 million of the increased expenses in 2026 and \$400 million in 2030.

FY20 had a net loss \$56.5 million (-4.2 percent margin) and modified net income of \$87.2 million (6.4 percent margin) after excluding non-cash pension and other post-employment benefit (OPEB) expenses. FY21 budget assumes a net loss of \$88.1 million and modified net income of \$55.6 million. Net income is projected to recover over the projection period, and increase to \$30 million (1.5 percent margin) in 2026 and \$67 million (2.5 percent margin) in 2030, with the addition of the UC Irvine Medical Complex. The UCI Irvine Medical Complex is projected to have a net loss from operations during the first few years of start-up, and then generate positive net income from operations starting in FY25. Net income from operations is projected to be \$48.2 million in FY26 and increase to \$114.2 million in steady state by FY30 for the UC Irvine Medical Complex.

The financial projection also includes the costs and benefits of future capital projects associated with the UCI Health Enterprise master capital plans, including the cost of ongoing facilities improvements, medical equipment, and information technology capital. The UCI Health Enterprise projections include projects which have not yet been approved, and which would be regularly re-

evaluated as to need, scope, and cost. Future projects would be deferred or eliminated as appropriate and necessary to ensure UCI Health's financial viability.

Throughout the planning period, UCI Health's consolidated projected debt service coverage and days' cash on hand remain above the debt policy metrics of 3.0x coverage and 60 days, respectively. Debt Service Coverage was 6.6x in FY20 and is projected to decrease to 5.2x in FY 2030. Days' cash on hand was 177 days in 2020, including 30 days related to the \$110 million Medicare advanced payment, which has subsequently been paid back in FY21. Days' cash on hand is projected to decrease during the planning period to 80 days in FY 2025, and is projected to increase to 93 days by the end of the planning horizon in FY 2030.

Key Assumptions for UCI Health Consolidated Projections Fiscal Years 2021 – 2030

UC Irvine Medical Complex Assumptions

The overarching vision for the new facility is one that continues to position UCI Health for the future; a facility with a specialty focus on cancer, neurosurgery, orthopedics, and spine services that both serves the needs of the community and builds upon UCI's strong clinical foundation and reputation in these key specialty areas.

Project Timing and Volumes

- Ambulatory Care Center (ACC) opens Q1 2024
- Hospital opens Q1 2025
- Opening years of the ACC and Hospital assume 25 percent of steady state volumes with a three-year increase to steady state
- Assumes physicians are recruited and onboarded in timely fashion to support this schedule for reaching steady state

Revenues

- Net patient revenues were derived on a net revenue per case basis, assuming UCI Health's historical service line revenue data. Blended average annual rate increases of two percent were assumed for commercial and government payors over the projection period.
- Payor mix matches local service area by service line. The City of Irvine has one of the most favorable payor mixes in the region, with 44 percent of private coverage for total non-emergent case volume originating from the area. For ambulatory care, the percentage of commercially insured patients is higher, with overall private coverage representing almost 75 percent of total ambulatory surgeries.

Expenses

- Expenses were calculated on an expense per case basis, assuming UCI Health's historical service line cost data.
- Average annual expense inflation rate of 2.8 percent was assumed over the projection period. The average inflation rate is based on the five year rolling average of BLS medical service CPI of 2.8 percent.
- Indirect expenses / overhead were based on UCI Health's historical service line cost data and assume a 25 percent discount from the historical UCI Health Enterprise indirect cost level.
- UC Irvine Medical Complex projections assume \$211 million of physician recruitment and salary support costs from FY2021 through FY2025, which includes \$8M in years 1 and 2 for physician recruitment and \$15 million of annual salary support in FY23, FY24, and FY25, and \$30M annually in FY26 through FY30.

Capital

- Annual debt service payments on the project are \$55.8 million based upon long-term debt of \$823 million amortized over 40 years with three year principal deferral at an interest rate of six percent. New borrowing assumes construction period interest is funded by debt.
- The remainder of the Medical Complex project cost will be funded through hospital reserves of approximately \$150 million and philanthropy of \$100 million.

UC Health Enterprise Assumptions

UCI Health Enterprise projections assume FY 2021 budget as the base year for projections going forward. The base projections incorporate foundational assumptions (e.g. volumes, revenue and expense inflation, capital) as noted below.

Volumes

- Inpatient volumes are assumed to grow one percent annually based on Sg2 market growth rates for the Orange County service area. Additional inpatient growth was assumed in FY22 through FY24 to account for new inpatient beds in FY22, as well as continued efforts to regain lost volumes due to COVID in FY20 and FY21.
- Outpatient volumes are assumed to grow five percent annually, based on historical trends and market growth rates for the Orange County service area. Additional outpatient growth was assumed in FY22 through FY24 to account for a multi-year ambulatory strategy as well as continued efforts to regain lost volumes due to COVID in FY20 and FY21.

Revenue

- Net patient service revenue growth over the planning horizon is a function of increased volumes and annual rate inflation.
- The COVID pandemic has unfavorably impacted UCI Health's payor mix. Payor mix is assumed to return to pre-COVID levels by FY 2023.
- Assumes supplemental funding programs continue at FY21 budget levels throughout the projection period.

Operating Expense

- Salary inflation is projected to average three percent annually throughout the projection period.
- Benefits expense is projected to mirror the rate of salary inflation and is based on the FY21 budget average composite benefit rate.

- Non-cash pension and other post-employment benefits (OPEB) expense is assumed to remain constant at the FY21 budget amounts
- Drugs and Pharmaceuticals expense projected to increase at six percent annually.
- Medical supply expense is projected to increase annually at three percent, and non-medical supplies at two percent.

**UC IRVINE MEDICAL COMPLEX
PROJECTED FINANCIAL PERFORMANCE
STATEMENT OF REVENUES AND EXPENSES
(Dollars in Thousands)**

	<u>FY2021</u>	<u>FY2022</u>	<u>FY2023</u>	<u>FY2024</u>	<u>Projected FY2025</u>	<u>FY2026</u>	<u>FY2027</u>	<u>FY2028</u>	<u>FY2029</u>	<u>FY2030</u>
Operating Revenue										
Net Patient Revenue	\$0	\$0	\$47,351	\$68,254	\$211,205	\$304,476	\$438,936	\$514,792	\$530,513	\$544,613
Other Operating Revenue	0	480	1,121	1,902	3,269	4,532	6,321	7,411	7,628	7,831
Total operating revenue	<u>\$0</u>	<u>\$480</u>	<u>\$48,472</u>	<u>\$70,156</u>	<u>\$214,474</u>	<u>\$309,008</u>	<u>\$445,258</u>	<u>\$522,203</u>	<u>\$538,141</u>	<u>\$552,444</u>
Operating Expenses										
Operating Expenses	\$0	\$0	\$39,014	\$56,695	\$138,743	\$201,624	\$293,004	\$353,998	\$367,808	\$380,854
Depreciation and Amortization	0	4,411	19,513	5,515	18,681	18,681	18,653	18,623	18,592	18,560
Total Operating Expenses	<u>\$0</u>	<u>\$4,411</u>	<u>\$58,526</u>	<u>\$62,210</u>	<u>\$157,424</u>	<u>\$220,305</u>	<u>\$311,657</u>	<u>\$372,621</u>	<u>\$386,399</u>	<u>\$399,414</u>
Operating Income	<u>\$0</u>	<u>(\$3,931)</u>	<u>(\$10,054)</u>	<u>\$7,947</u>	<u>\$57,049</u>	<u>\$88,702</u>	<u>\$133,600</u>	<u>\$149,582</u>	<u>\$151,742</u>	<u>\$153,031</u>
Non-Operating Income	(7,980)	(8,581)	(24,542)	(40,502)	(40,502)	(40,502)	(40,099)	(39,680)	(39,244)	(38,791)
Net Income	<u>(\$7,980)</u>	<u>(\$12,512)</u>	<u>(\$34,596)</u>	<u>(\$32,555)</u>	<u>\$16,547</u>	<u>\$48,200</u>	<u>\$93,501</u>	<u>\$109,902</u>	<u>\$112,498</u>	<u>\$114,240</u>
Operating EBIDA	\$0	\$480	\$9,459	\$13,461	\$75,730	\$107,383	\$152,253	\$168,205	\$170,333	\$171,591
Operating EBIDA Margin			19.5%	19.2%	35.3%	34.8%	34.2%	32.2%	31.7%	31.1%
Physician Recruitment & Salary Support	(\$8,000)	(\$8,000)	(\$15,000)	(\$15,000)	(\$15,000)	(\$30,000)	(\$30,000)	(\$30,000)	(\$30,000)	(\$30,000)

UCI HEALTH CONSOLIDATED
PROJECTED FINANCIAL PERFORMANCE - AT 6.0 PERCENT INTEREST RATE
STATEMENT OF REVENUES AND EXPENSES
(Dollars in Thousands)

	Actual FY2020	FY2021	FY2022	FY2023	FY2024	Projected FY2025	FY2026	FY2027	FY2028	FY2029	FY2030
Operating Revenue											
Net Patient Revenue	\$1,251,000	\$1,273,353	\$1,381,254	\$1,557,225	\$1,659,078	\$1,886,644	\$2,069,882	\$2,300,595	\$2,478,770	\$2,603,521	\$2,734,108
Other Operating Revenue	101,915	147,995	152,457	156,947	161,932	166,872	172,248	178,088	183,827	189,328	195,069
Total operating revenue	1,352,915	1,421,348	1,533,711	1,714,172	1,821,010	2,053,516	2,242,130	2,478,683	2,662,597	2,792,850	2,929,176
Operating Expenses											
Operating Expenses	1,351,489	1,416,776	1,494,180	1,620,354	1,711,325	1,869,797	2,026,486	2,218,243	2,386,702	2,515,625	2,652,043
Depreciation and Amortization	86,340	86,412	93,828	101,600	102,869	117,636	121,072	126,937	133,696	141,375	150,004
Total Operating Expenses	1,437,829	1,503,188	1,588,008	1,721,954	1,814,195	1,987,433	2,147,558	2,345,180	2,520,398	2,657,000	2,802,047
Net Operating Income	(84,914)	(81,840)	(54,297)	(7,781)	6,815	66,083	94,572	133,502	142,199	135,850	127,129
Non-Operating Income	28,375	(6,419)	(16,973)	(40,670)	(65,013)	(64,777)	(64,411)	(63,496)	(62,328)	(60,994)	(59,639)
Net Income	(\$56,539)	(\$88,259)	(\$71,270)	(\$48,452)	(\$58,198)	\$1,307	\$30,160	\$70,007	\$79,872	\$74,856	\$67,490
Non-cash Pension/OPEB	143,729	143,729	143,729	143,729	143,729	143,729	143,729	143,729	143,729	143,729	143,729
Modified Net Income	\$87,190	\$55,470	\$72,459	\$95,277	\$85,531	\$145,036	\$173,889	\$213,736	\$223,601	\$218,585	\$211,219
Modified Margin	6.4%	3.9%	4.7%	5.6%	4.7%	7.1%	7.8%	8.6%	8.4%	7.8%	7.2%
Modified EBIDA Margin	14.2%	11.4%	12.5%	14.3%	14.4%	16.3%	16.4%	16.6%	16.1%	15.4%	14.7%
Modified EBIDA	\$192,550	\$161,849	\$191,407	\$245,525	\$261,506	\$335,552	\$367,592	\$412,665	\$428,627	\$430,604	\$431,156

UCI HEALTH CONSOLIDATED
PROJECTED FINANCIAL PERFORMANCE - AT 6.0 PERCENT INTEREST RATE
STATEMENT OF NET ASSETS
(Dollars in Thousands)

	Actual	Projected									
	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030
Assets											
Cash and Cash Equivalents	\$663,358	\$472,257	\$412,830	\$441,193	\$435,916	\$443,353	\$459,067	\$499,295	\$561,169	\$629,976	\$691,035
Patient Accounts Receivable	156,655	160,682	176,499	200,408	214,289	245,211	270,131	301,492	325,737	342,749	360,559
Other Receivables and Prepaid Assets	67,536	69,248	76,020	87,859	94,839	112,203	126,186	144,152	157,727	166,535	175,755
Inventory / Other Current Assets	37,435	41,040	43,907	48,065	51,225	55,822	60,325	65,699	70,673	75,060	79,792
Total Current Assets	924,984	743,227	709,256	777,526	796,270	856,588	915,710	1,010,639	1,115,307	1,214,320	1,307,140
Capital Assets, Net	745,376	1,035,936	1,320,806	1,577,512	1,827,805	1,837,031	1,837,058	1,837,071	1,837,075	1,837,050	1,837,046
Restricted Assets	238,561	81,789	5,241	216,320	5,241	5,241	5,241	5,241	5,241	5,241	5,241
Other Assets	449,931	449,931	449,931	449,931	449,931	449,931	449,931	449,931	449,931	449,931	449,931
Total Assets	2,358,852	2,310,883	2,485,234	3,021,289	3,079,247	3,148,791	3,207,940	3,302,882	3,407,554	3,506,542	3,599,359
Liabilities											
Accounts Payable and Accrued Expenses	412,281	306,140	327,574	353,955	371,266	390,857	411,395	434,345	457,550	480,497	505,074
Current Portion of Long-term Debt	4,620	4,790	322,925	5,205	5,405	5,600	12,067	12,455	12,866	13,302	13,764
Total Current Liabilities	416,901	310,930	650,500	359,160	376,671	396,457	423,461	446,800	470,416	493,799	518,838
Long-term Debt	568,168	688,378	558,378	1,376,173	1,370,768	1,365,168	1,353,101	1,340,647	1,327,781	1,314,479	1,300,715
Other Liabilities	2,165,763	2,203,521	2,686,820	2,539,209	2,700,449	2,863,964	3,034,697	3,201,765	3,369,110	3,536,222	3,704,990
Total Liabilities	2,733,931	2,891,899	3,245,198	3,915,382	4,071,217	4,229,132	4,387,799	4,542,411	4,696,890	4,850,700	5,005,705
Net Assets											
Restricted	238,561	238,561	238,561	238,561	238,561	238,561	238,561	238,561	238,561	238,561	238,561
Unrestricted	(613,640)	(819,577)	(998,525)	(1,132,655)	(1,230,531)	(1,318,902)	(1,418,420)	(1,478,091)	(1,527,897)	(1,582,720)	(1,644,908)
Total Net Assets	(\$375,079)	(\$581,016)	(\$759,964)	(\$894,094)	(\$991,970)	(\$1,080,341)	(\$1,179,859)	(\$1,239,530)	(\$1,289,336)	(\$1,344,159)	(\$1,406,347)

UCI HEALTH CONSOLIDATED
PROJECTED FINANCIAL PERFORMANCE - AT 6.0 PERCENT INTEREST RATE
STATEMENT OF CASH FLOW
(Dollars in Thousands)

	Actual FY2020	FY2021	FY2022	FY2023	FY2024	Projected FY2025	FY2026	FY2027	FY2028	FY2029	FY2030
Beginning Cash	\$464,576	\$663,358	\$472,257	\$412,830	\$441,193	\$435,916	\$443,353	\$459,067	\$499,295	\$561,169	\$629,976
Cash from Operations:											
Net Income	(56,539)	(88,259)	(71,270)	(48,452)	(58,198)	1,307	30,160	70,007	79,872	74,856	67,490
Change in Working Capital	193,754	(115,485)	(4,021)	(13,527)	(6,710)	(33,291)	(22,869)	(31,750)	(19,590)	(7,259)	(7,184)
Add: Depreciation	86,340	86,412	93,828	101,600	102,869	117,636	121,072	126,937	133,696	141,375	150,004
Add: Non-cash Pension/OPEB	143,729	143,729	143,729	143,729	143,729	143,729	143,729	143,729	143,729	143,729	143,729
Cash Provided from Operations	367,284	26,397	162,266	183,350	181,690	229,381	272,093	308,923	337,706	352,701	354,039
Debt Proceeds	233,320	125,000	192,925	823,000	0	0	0	0	0	0	0
Prop 3/Philanthropy	0	0	0	29,000	75,000	25,000	0	0	0	0	0
Cash Used for Capital/Other											
Capital Expenditures	64,933	376,972	378,698	358,306	353,162	126,861	121,100	126,950	133,700	141,350	150,000
Principal Payments on Debt	10,144	4,620	4,790	322,925	5,205	5,405	5,600	12,067	12,455	12,866	13,302
Transfers to/from Campus/UCOP	17,300	17,300	17,300	17,300	17,300	17,300	17,300	17,300	17,300	17,300	17,300
Other Sources/Uses of Cash	(40,116)	(37,623)	(37,622)	(37,623)	(37,623)	(37,622)	(37,622)	(37,622)	(37,623)	(37,622)	(37,623)
Change in Restricted Cash	229,213	(156,772)	(76,548)	211,079	(211,079)	0	0	0	0	0	0
SOM Support	111,000	138,000	128,000	135,000	135,000	135,000	150,000	150,000	150,000	150,000	150,000
Total Cash Used for Capital/Other	392,474	342,497	414,618	1,006,987	261,965	246,944	256,378	268,695	275,832	283,894	292,979
Net Change in Cash	208,130	(191,100)	(59,427)	28,363	(5,275)	7,437	15,715	40,228	61,874	68,807	61,060
Ending Cash	<u>\$663,358</u>	<u>\$472,257</u>	<u>\$412,830</u>	<u>\$441,193</u>	<u>\$435,916</u>	<u>\$443,353</u>	<u>\$459,067</u>	<u>\$499,295</u>	<u>\$561,169</u>	<u>\$629,976</u>	<u>\$691,035</u>
Days Cash on Hand	177	120	99	96	89	83	80	80	83	89	93

UCI HEALTH CONSOLIDATED
PROJECTED FINANCIAL PERFORMANCE - AT 6.0 PERCENT INTEREST RATE
KEY FINANCIAL RATIOS
(Dollars in Thousands)

	<u>Actual</u> <u>FY2020</u>	<u>FY2021</u>	<u>FY2022</u>	<u>FY2023</u>	<u>FY2024</u>	<u>Projected</u> <u>FY2025</u>	<u>FY2026</u>	<u>FY2027</u>	<u>FY2028</u>	<u>FY2029</u>	<u>FY2030</u>
Net Income	(\$56,539)	(\$88,259)	(\$71,270)	(\$48,452)	(\$58,198)	\$1,307	\$30,160	\$70,007	\$79,872	\$74,856	\$67,490
Modified Net Income	\$87,190	\$55,470	\$72,459	\$95,277	\$85,531	\$145,036	\$173,889	\$213,736	\$223,601	\$218,585	\$211,219
Modified Net Margin	6.4%	3.9%	4.7%	5.6%	4.7%	7.1%	7.8%	8.6%	8.4%	7.8%	7.2%
Modified EBIDA	\$192,550	\$161,849	\$191,407	\$245,525	\$261,506	\$335,552	\$367,592	\$412,665	\$428,627	\$430,604	\$431,156
Modified EBIDA Margin	14.2%	11.4%	12.5%	14.3%	14.4%	16.3%	16.4%	16.6%	16.1%	15.4%	14.7%
Days Cash on Hand	177	120	99	96	89	83	80	80	83	89	93
Debt Service Coverage	6.60	6.89	6.47	5.04	3.97	4.59	4.70	4.91	5.12	5.16	5.18
Cash to Debt	115.8%	68.1%	46.8%	31.9%	31.7%	32.3%	33.6%	36.9%	41.9%	47.4%	52.6%

SUMMARY FINANCIAL FEASIBILITY ANALYSIS at 4 Percent Interest Rate

Project Title: **UC Irvine Medical Complex**

Total Estimated Project Cost: \$1,073,000,000

Proposed Sources of Funding:

External Financing \$823,000,000

Gifts (as of 10-30-2020)

Cash in hand \$5,162,000

Pledges received (standby financing) \$19,838,000

Gifts to be raised (interim financing) \$75,000,000

Hospital Reserves \$150,000,000

Total \$1,073,000,000

Proposed New Long-term Financing \$823,000,000

Projected Financing Terms:

Interest Rate 4.0%

Term 40 years, 3 year principal deferral

Average Annual Debt Service \$43.0 million

Existing Hospital System Long- term Debt June 30, 2020: \$568 million

Estimated Combined Annual Debt Service as of FY 2030: \$70.4 million

UCI Health's consolidated projected debt service coverage and days' cash on hand remain above the University's debt policy metrics of 3.0x coverage and 60 days, respectively, over the planning period.

	Actual FY2020	FY2021	FY2022	FY2023	FY2024	Projected FY2025	FY2026	FY2027	FY2028	FY2029	FY2030
Debt Service Coverage	6.60	6.89	6.47	5.72	4.76	5.97	5.96	5.81	6.05	6.11	6.14
Days Cash on Hand	177	120	99	97	95	92	91	92	97	103	108

Debt service includes existing obligations, projected commercial paper interest expense, and new long-term debt service for the project. New debt service in FY 2022-23 assumes interest only on bonds issued in January of 2023 followed by three years of principal deferral.

UCI Health Consolidated Projections Assuming 4% Interest for the UC Irvine Medical Complex New Debt

UCI HEALTH CONSOLIDATED PROJECTED FINANCIAL PERFORMANCE - AT 4.0 PERCENT INTEREST RATE STATEMENT OF REVENUES AND EXPENSES (Dollars in Thousands)

	Actual FY2020	FY2021	FY2022	FY2023	FY2024	Projected FY2025	FY2026	FY2027	FY2028	FY2029	FY2030
Operating Revenue											
Net Patient Revenue	\$1,251,000	\$1,273,353	\$1,381,254	\$1,557,225	\$1,659,078	\$1,886,644	\$2,069,882	\$2,300,595	\$2,478,770	\$2,603,521	\$2,734,108
Other Operating Revenue	101,915	147,995	152,457	156,947	161,932	166,872	172,248	178,088	183,827	189,328	195,069
Total operating revenue	1,352,915	1,421,348	1,533,711	1,714,172	1,821,010	2,053,516	2,242,130	2,478,683	2,662,597	2,792,850	2,929,176
Operating Expenses											
Operating Expenses	1,351,489	1,416,776	1,494,180	1,620,354	1,711,325	1,869,797	2,026,486	2,218,243	2,386,702	2,515,625	2,652,043
Depreciation and Amortization	86,340	86,412	93,828	101,600	102,869	117,636	121,072	126,937	133,696	141,375	150,004
Total Operating Expenses	1,437,829	1,503,188	1,588,008	1,721,954	1,814,195	1,987,433	2,147,558	2,345,180	2,520,398	2,657,000	2,802,047
Net Operating Income	(84,914)	(81,840)	(54,297)	(7,781)	6,815	66,083	94,572	133,502	142,199	135,850	127,129
Non-Operating Income	28,375	(6,419)	(16,973)	(32,853)	(48,436)	(47,997)	(47,465)	(46,384)	(45,074)	(43,605)	(42,122)
Net Income	(\$56,539)	(\$88,259)	(\$71,270)	(\$40,634)	(\$41,621)	\$18,086	\$47,106	\$87,118	\$97,125	\$92,245	\$85,007
Non-cash Pension/OPEB	143,729	143,729	143,729	143,729	143,729	143,729	143,729	143,729	143,729	143,729	143,729
Modified Net Income	\$87,190	\$55,470	\$72,459	\$103,095	\$102,108	\$161,815	\$190,835	\$230,847	\$240,854	\$235,974	\$228,736
Modified Margin	6.4%	3.9%	4.7%	6.0%	5.6%	7.9%	8.5%	9.3%	9.0%	8.4%	7.8%
Modified EBIDA Margin	14.2%	11.4%	12.5%	14.3%	14.4%	16.4%	16.4%	16.7%	16.1%	15.5%	14.8%
Modified EBIDA	\$192,550	\$161,849	\$191,407	\$245,524	\$261,623	\$335,871	\$368,078	\$413,302	\$429,398	\$431,511	\$432,199

UCI HEALTH CONSOLIDATED
PROJECTED FINANCIAL PERFORMANCE - AT 4.0 PERCENT INTEREST RATE
STATEMENT OF NET ASSETS
(Dollars in Thousands)

	Actual FY2020	FY2021	FY2022	FY2023	FY2024	Projected FY2025	FY2026	FY2027	FY2028	FY2029	FY2030
Assets											
Cash and Cash Equivalents	\$663,358	\$472,257	\$412,830	\$440,890	\$459,675	\$483,890	\$516,551	\$570,284	\$645,789	\$728,356	\$803,303
Patient Accounts Receivable	156,655	160,682	176,499	200,408	214,289	245,211	270,131	301,492	325,737	342,749	360,559
Other Receivables and Prepaid Assets	67,536	69,248	76,020	87,859	94,839	112,203	126,186	144,152	157,727	166,535	175,755
Inventory / Other Current Assets	37,435	41,040	43,907	48,065	51,225	55,822	60,325	65,699	70,673	75,060	79,792
Total Current Assets	924,984	743,227	709,256	777,222	820,028	897,126	973,194	1,081,627	1,199,927	1,312,700	1,419,409
Capital Assets, Net	745,376	1,035,936	1,320,806	1,577,512	1,827,805	1,837,031	1,837,058	1,837,071	1,837,075	1,837,050	1,837,046
Restricted Assets	238,561	81,789	5,241	224,139	5,241	5,241	5,241	5,241	5,241	5,241	5,241
Other Assets	449,931	449,931	449,931	449,931	449,931	449,931	449,931	449,931	449,931	449,931	449,931
Total Assets	2,358,852	2,310,883	2,485,234	3,028,804	3,103,005	3,189,328	3,265,424	3,373,870	3,492,174	3,604,922	3,711,627
Liabilities											
Accounts Payable and Accrued Expenses	412,281	306,140	327,574	353,955	370,630	390,221	410,759	433,709	456,913	479,860	504,438
Current Portion of Long-term Debt	4,620	4,790	322,925	5,205	5,405	5,600	15,673	16,076	16,495	16,931	17,384
Total Current Liabilities	416,901	310,930	650,500	359,160	376,035	395,821	426,432	449,785	473,408	496,791	521,822
Long-term Debt	568,168	688,378	558,378	1,376,173	1,370,768	1,365,168	1,349,495	1,333,419	1,316,924	1,299,993	1,282,609
Other Liabilities	2,165,763	2,203,521	2,686,820	2,538,907	2,699,813	2,863,328	3,037,668	3,204,750	3,372,102	3,539,214	3,707,974
Total Liabilities	2,733,931	2,891,899	3,245,198	3,915,080	4,070,581	4,228,496	4,387,163	4,538,169	4,689,026	4,839,207	4,990,583
Net Assets											
Restricted	238,561	238,561	238,561	238,561	238,561	238,561	238,561	238,561	238,561	238,561	238,561
Unrestricted	(613,640)	(819,577)	(998,525)	(1,124,837)	(1,206,136)	(1,277,728)	(1,360,300)	(1,402,860)	(1,435,412)	(1,472,845)	(1,517,516)
Total Net Assets	(\$375,079)	(\$581,016)	(\$759,964)	(\$886,276)	(\$967,575)	(\$1,039,167)	(\$1,121,739)	(\$1,164,299)	(\$1,196,851)	(\$1,234,284)	(\$1,278,955)

UCI HEALTH CONSOLIDATED
PROJECTED FINANCIAL PERFORMANCE - AT 4.0 PERCENT INTEREST RATE
STATEMENT OF CASH FLOW
(Dollars in Thousands)

	Actual FY2020	FY2021	FY2022	FY2023	FY2024	Projected FY2025	FY2026	FY2027	FY2028	FY2029	FY2030
Beginning Cash	\$464,576	\$663,358	\$472,257	\$412,830	\$440,890	\$459,675	\$483,890	\$516,551	\$570,284	\$645,789	\$728,356
Cash from Operations:											
Net Income	(56,539)	(88,259)	(71,270)	(40,634)	(41,621)	18,086	47,106	87,118	97,125	92,245	85,007
Change in Working Capital	193,754	(115,485)	(4,021)	(13,829)	(7,044)	(33,291)	(22,869)	(31,751)	(19,590)	(7,259)	(7,184)
Add: Depreciation	86,340	86,412	93,828	101,600	102,869	117,636	121,072	126,937	133,696	141,375	150,004
Add: Non-cash Pension/OPEB	143,729	143,729	143,729	143,729	143,729	143,729	143,729	143,729	143,729	143,729	143,729
Cash Provided from Operations	367,284	26,397	162,266	190,866	197,933	246,160	289,039	326,034	354,960	370,090	371,556
Debt Proceeds	233,320	125,000	192,925	823,000	0	0	0	0	0	0	0
Prop 3/Philanthropy	0	0	0	29,000	75,000	25,000	0	0	0	0	0
Cash Used for Capital/Other											
Capital Expenditures	64,933	376,972	378,698	358,306	353,162	126,861	121,100	126,950	133,700	141,350	150,000
Principal Payments on Debt	10,144	4,620	4,790	322,925	5,205	5,405	5,600	15,673	16,076	16,495	16,931
Transfers to/from Campus/UCOP	17,300	17,300	17,300	17,300	17,300	17,300	17,300	17,300	17,300	17,300	17,300
Other Sources/Uses of Cash	(40,116)	(37,623)	(37,622)	(37,622)	(37,622)	(37,622)	(37,622)	(37,621)	(37,622)	(37,623)	(37,622)
Change in Restricted Cash	229,213	(156,772)	(76,548)	218,898	(218,898)	0	0	0	0	0	0
SOM Support	111,000	138,000	128,000	135,000	135,000	135,000	150,000	150,000	150,000	150,000	150,000
Total Cash Used for Capital/Other	392,474	342,497	414,618	1,014,807	254,147	246,944	256,378	272,302	279,454	287,522	296,609
Net Change in Cash	208,130	(191,100)	(59,427)	28,059	18,786	24,216	32,661	53,732	75,506	82,568	74,947
Ending Cash	\$663,358	\$472,257	\$412,830	\$440,890	\$459,675	\$483,890	\$516,551	\$570,284	\$645,789	\$728,356	\$803,303
Days Cash on Hand	177	120	99	97	95	92	91	92	97	103	108

UCI HEALTH CONSOLIDATED
PROJECTED FINANCIAL PERFORMANCE - AT 4.0 PERCENT INTEREST RATE
KEY FINANCIAL RATIOS
(Dollars in Thousands)

	Actual FY2020	FY2021	FY2022	FY2023	FY2024	Projected FY2025	FY2026	FY2027	FY2028	FY2029	FY2030
Net Income	(\$56,539)	(\$88,259)	(\$71,270)	(\$40,634)	(\$41,621)	\$18,086	\$47,106	\$87,118	\$97,125	\$92,245	\$85,007
Modified Net Income	\$87,190	\$55,470	\$72,459	\$103,095	\$102,108	\$161,815	\$190,835	\$230,847	\$240,854	\$235,974	\$228,736
Modified Net Margin	6.4%	3.9%	4.7%	6.0%	5.6%	7.9%	8.5%	9.3%	9.0%	8.4%	7.8%
Modified EBIDA	\$192,550	\$161,849	\$191,407	\$245,524	\$261,623	\$335,871	\$368,078	\$413,302	\$429,398	\$431,511	\$432,199
Modified EBIDA Margin	14.2%	11.4%	12.5%	14.3%	14.4%	16.4%	16.4%	16.7%	16.1%	15.5%	14.8%
Days Cash on Hand	177	120	99	97	95	92	91	92	97	103	108
Debt Service Coverage	6.60	6.89	6.47	5.72	4.76	5.97	5.96	5.81	6.05	6.11	6.14
Cash to Debt	115.8%	68.1%	46.8%	31.9%	33.4%	35.3%	37.8%	42.3%	48.4%	55.3%	61.8%

ATTACHMENT 3C

UCI HEALTH CONSOLIDATED TEN-YEAR MODIFIED CASH PROJECTIONS - 6.0 PERCENT INTEREST RATE

In \$ Millions

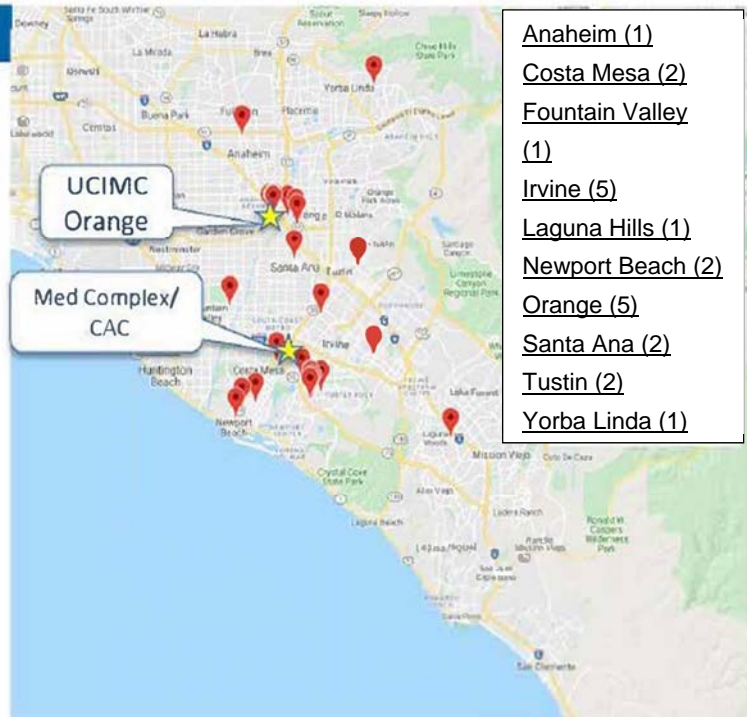
	FY 2020 Actual	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
REVENUES											
Total Revenues	1,353	1,421	1,534	1,714	1,821	2,054	2,242	2,479	2,663	2,793	2,929
EXPENSES											
Total Expenses	1,438	1,503	1,588	1,722	1,814	1,987	2,148	2,345	2,520	2,657	2,802
Net Income from Operations	(85)	(82)	(54)	(8)	7	66	95	134	142	136	127
NON-OPERATING REVENUES (EXPENSES)											
Total Non-operating Revenues (expenses)	28	(6)	(17)	(41)	(65)	(65)	(64)	(63)	(62)	(61)	(60)
Net Income (Loss)	(57)	(88)	(71)	(48)	(58)	1	30	70	80	75	67
Net Income Margin	-4%	-6%	-5%	-3%	-3%	0%	1%	3%	3%	3%	2%
NON-CASH EXPENSES											
Non-Cash Expenses excluding Depreciation	144	144	144	144	144	144	144	144	144	144	144
EBIDA	49	18	48	102	118	192	224	269	285	287	287
Modified Days Cash	200	135	112	109	101	94	89	88	91	97	101

Notes: Modified days cash is calculated using cash expenses (excluding non-cash pension and retiree health benefit expenses and depreciation expense).

UCI HEALTH SYSTEM LOCATIONS

UCI Health System

- 22 existing sites throughout Orange County
- Expanding primary care network
- Sites for Medical Complex and CAC provide convenient access to 3 major freeways
- Additional ambulatory sites planned



PROJECT DRIVERS

UCI Health's vision is to advance individual and population health. This focus on meeting the evolving needs of the community and responding to the changing healthcare environment necessitates expanding care access and health education. Key project drivers for the development of the Irvine Campus Medical Complex on the North Campus are described below.

Expand Patient Access and Promote Market Share while Leveraging Proximity to Main Campus

This project would expand UCI Health's specialty care presence and geographic reach. As a substantial portion of non-emergency cases is leaving the Irvine area to seek care, UCI Health has an opportunity to more conveniently serve an aging population by expanding clinical services at the North Campus location.

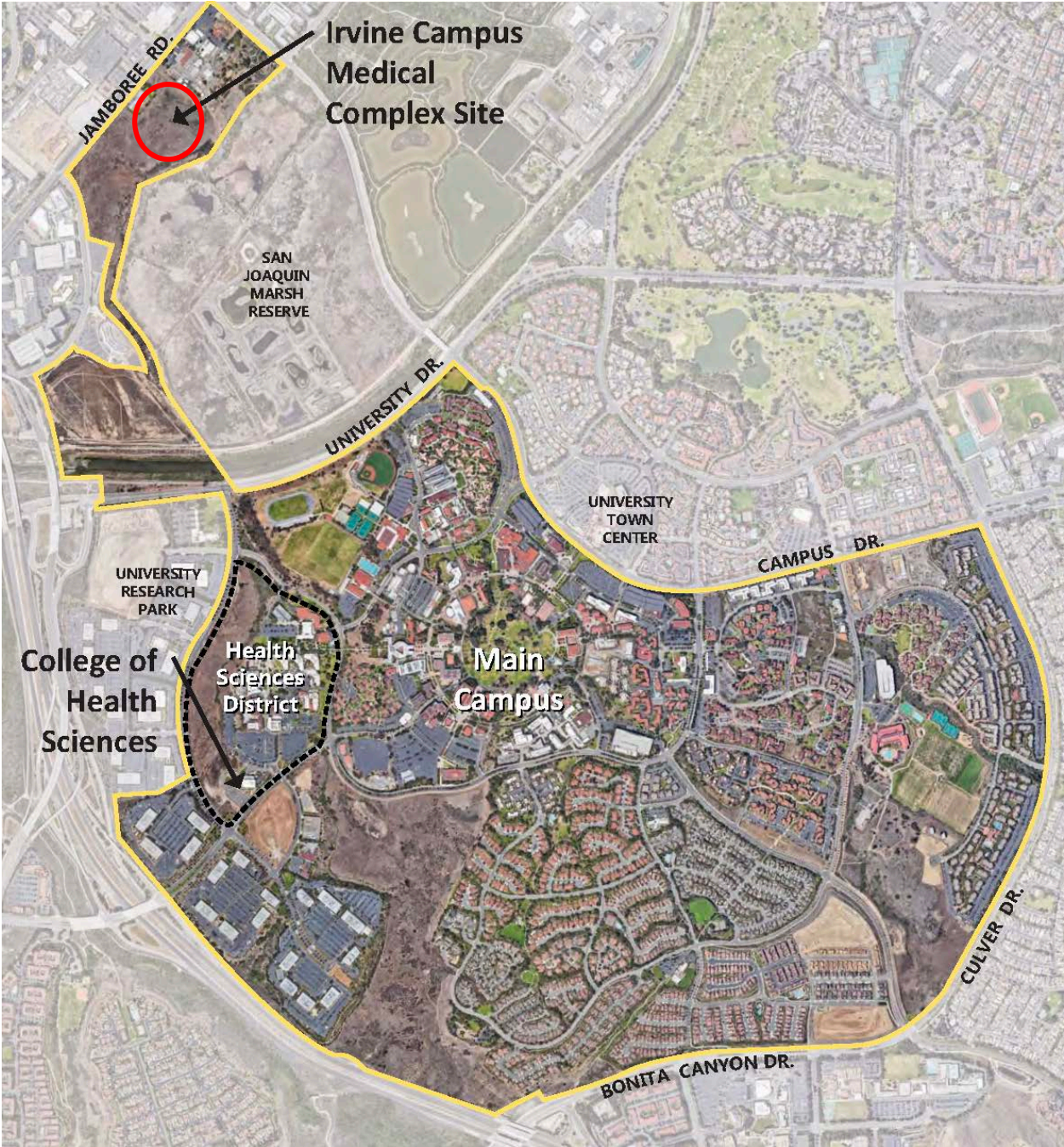
Support the Goal of Integrating Clinical Care, Research, and Teaching

A specialty-focused hospital creates an environment where teaching, research, and clinical excellence interact to deliver the highest level of care and medical innovation, integrating the patient experience with advances in clinical quality. The Medical Complex's close proximity to the main campus promotes a first-class teaching environment and establishes a strong foundation for the development of research centers of excellence.

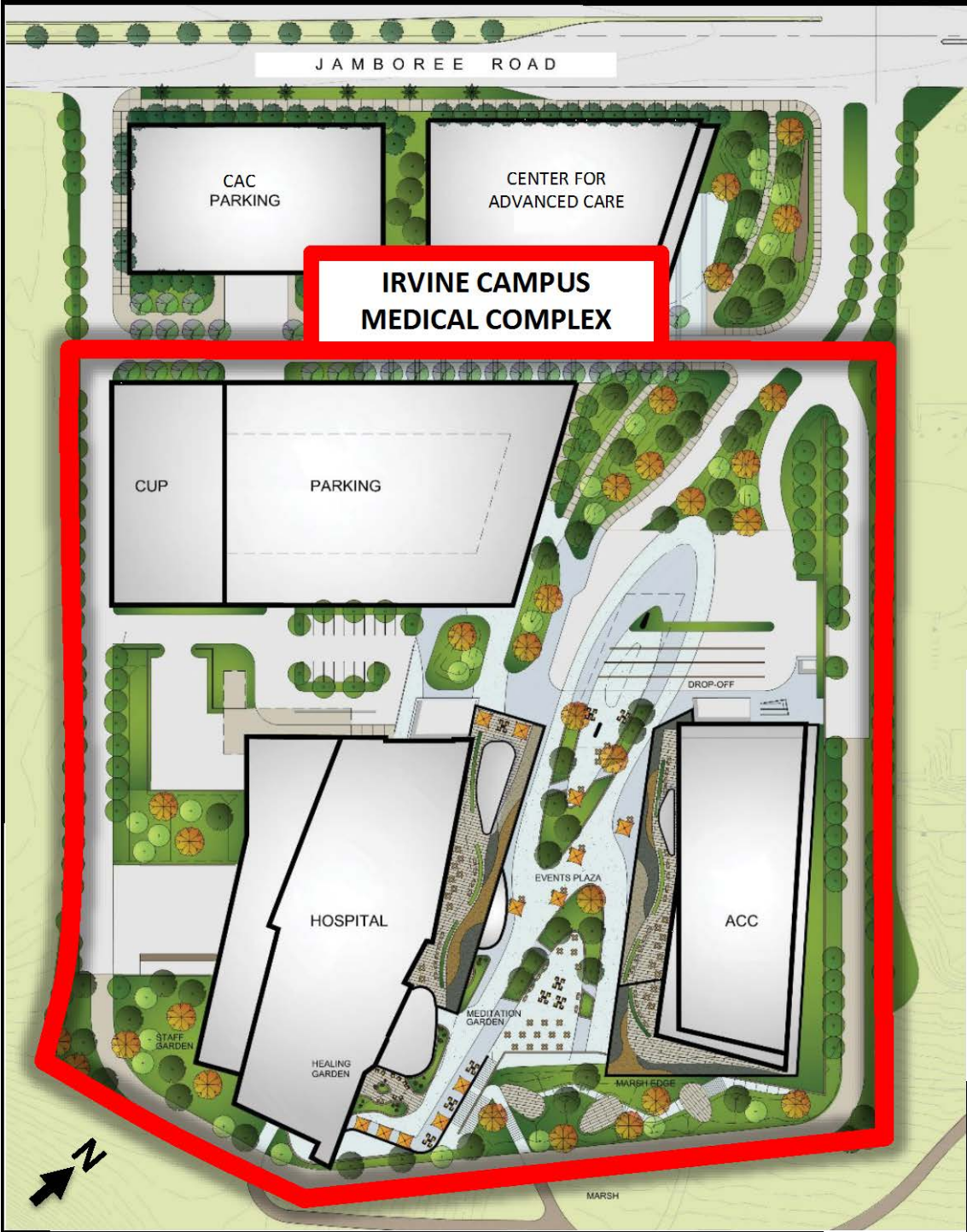
Address Increasing Demand for Services at UCI Orange Campus

The development of a specialty-focused hospital in Irvine not only increases access to specialty care but also helps address increasing inpatient demand at UCIMC without being duplicative. This new facility will shift some existing volume from the Orange campus and accommodate the incremental new volume entering the market in the future, helping to expand inpatient capacity at UCIMC and maximizing the use of current assets for providing tertiary and quaternary care.

CAMPUS MAP / SITE ORIENTATION



SITE PLAN



ALTERNATIVES CONSIDERED

Other project alternatives that were considered included 1) build a specialty hospital that includes an ambulatory care center and Emergency Department; 2) build a hospital with a specialty focus, but no Emergency Department; 3) build a full-service community hospital; 4) build an Ambulatory Care Center only, with a cancer focus; and 5) do not expand in Irvine.

1. Build a specialty hospital with an ambulatory care center and Emergency Department

This alternative meets UCI Health strategic planning goals of ensuring access to care, being a destination provider for distinctive service lines, creating a competitive patient-centric ambulatory network, and providing quality and value to patients by providing a modern, efficient facility that serves the needs of the community for specialty care in oncology, neurosurgery, orthopedics, and spine services.

2. Build a hospital with a specialty focus, but no Emergency Department

A focused facility with limited inpatient capacity and no emergency care capabilities does not sufficiently expand patient access and will not best serve the community. Emergency care would continue to rely on UCIMC, which is too far away for patients in Irvine. Limited emergency care services that satisfy Emergency Medical Treatment and Labor Act requirements (i.e., patient stabilization with the ability to admit or transfer to UCIMC) are necessary for the hospital to bill and collect Medicare revenues.

3. Build a full-service community hospital

A large facility offering comprehensive medical and surgical services duplicates capabilities already offered at UCIMC and could potentially compete for existing UCI patients. Without a specialty focus, the facility will lack an obvious differentiating factor compared to other competitors in the region and create difficulty in the execution of UCI Health's strategy and vision for the proposed project – to build on an existing reputation of clinical excellence and brand recognition through an expansion and diversification of specialty services. Moreover, a facility of this scope requires significantly higher up-front capital investment, and also greatly increases operational costs compared to the specialty-focused options.

4. Build an Ambulatory Care Center only, with a cancer focus

Given the highly attractive market and growing patient population in Irvine, building an ambulatory care facility focused on cancer would severely limit UCI Health's ability to serve the area's evolving patient needs and innovate to meet the changing healthcare environment. The demand for multiple specialty services is growing in Irvine; a cancer-only facility would prevent UCI Health from building upon UCI's strong clinical

foundation and reputation in neurosurgery, orthopedics, and spine services. This option would also forego the opportunity to provide services that require 48-hour stays, and it would not help alleviate current and future capacity issues at UCIMC. Finally, without inpatient capabilities, it is anticipated that this option would not include the current revenue premium associated with Hospital Outpatient Department rates, making the project financially unfeasible.

5. Do not expand in Irvine

The Irvine service area is a fragmented market, with many leaving the area for specialty care. If UCI Health does not build the proposed Medical Complex in Irvine, its ability to serve the healthcare needs of this population will be severely limited as competitors move in.

Alternative 1, building a specialty hospital that includes ambulatory care and an Emergency Department, is the preferred alternative, as it best meets the project drivers of expanding patient access; integrating clinical care, research, and teaching; capitalizing on a favorable payer mix; and addressing demand for services at UCIMC.

LRDP AMENDMENT TEXT REVISION

Table 5-1, below, which includes the revised text showing inpatient uses as part of Mixed Use-Commercial, would appear in Chapter 5 of the amended LRDP, on page 62.

Table 5-1. 2007 LRDP Land Use Matrix

Land Use Category	Permitted Uses		Land Allocation (Acres)	Average Development Intensity ¹
	Primary Uses	Associated or Compatible Uses		
Academic and Support	Classrooms; instructional and research laboratories; undergraduate, graduate, and professional schools and programs; ancillary support facilities such as administrative facilities, libraries, performance and cultural facilities, clinical facilities, research institutes, conference facilities, and services supporting academic operations	Food service, recreation, parking, utility infrastructure, and other support uses	205	1.11 FAR on average; the majority of new buildings to be between 4 and 6 stories in height
Campus Support Services	Administrative and institutional support functions, service yards, maintenance facilities, shops, materials handling and storage, warehousing, shipping and receiving, utility plants and systems, police, and other support functions; social and child care services	Parking, open space	21	0.35 FAR on average
Student Housing	Residential facilities for single undergraduate and graduate students, student groups, students with families, and other university affiliates	Residential parking, child care and pre-school facilities, recreation facilities, meeting and classroom space, food service and retail, and other residential support uses	261	Average density of 90 to 125 beds/ac or higher for new student housing construction
Faculty and Staff Housing	Residential facilities for University faculty and staff	Residential parking; child care, pre-school, and elementary school facilities; recreation facilities; community meeting space; and other residential support uses	214	Average density of 12.5 DU/ac or higher for new faculty and staff housing construction
Housing Reserve	Residential facilities for students, faculty, staff, medical residents and interns, post-doctoral researchers, and other University affiliates	Residential parking; child care, pre-school, and elementary school facilities; recreation facilities; community meeting space; classrooms; and other residential support uses	54	Average density of 12.5 DU/ac or higher (employee housing) or 90 beds/ac or higher (student housing)
Mixed Use–Commercial	Facilities for office, research and development, and academic activities; commercial and retail space; conference facilities; residential facilities; clinical; inpatient (uses may be non-University oriented if located in the Inclusion Areas)	Child care and recreation facilities, parking, and other related uses	46	0.50 FAR average for nonresidential; approx. 10 DU/ac for residential
Mixed Use–Neighborhood	Residential facilities for students, faculty, and staff; commercial and retail space; conference facilities; office facilities; academic facilities	Child care, pre-school, food service, and recreation facilities; parking; and other related uses	31	Approx. 0.15 FAR for nonresidential; new housing at approx. 10 DU/ac (employee housing) or 35 beds/ac (student housing)

ATTACHMENT 13

ENVIRONMENTAL IMPACT SUMMARY

Environmental Review Process

In accordance with the California Environmental Quality Act (CEQA), the CEQA Guidelines, and the University of California Procedures for Implementation of CEQA, a Subsequent Environmental Impact Report (SEIR) for the Irvine Campus Medical Complex (“Project”) and LRDP Amendment #3 has been prepared (SCH #2020029099). The SEIR is tiered from the UCI 2007 Long Range Development Plan Environmental Impact Report (LRDP EIR, SCH #2006071024). A link to the 2007 LRDP EIR can be found in Attachment 11.

On February 28, 2020, a Notice of Preparation (NOP) was circulated for a 30-day public review period for public and agency comments in accordance with CEQA. A SEIR public scoping meeting was held during the public review period on March 9, 2020 to solicit input from interested agencies, individuals, and organizations on the content and topics to be addressed in the SEIR. Comments received in response to the NOP were taken into consideration during the preparation of the SEIR. Key issues raised in the NOP comments included biological resources, hydrology and water quality, traffic, visual impacts, and capacity of existing utility systems.

A Notice of Availability (NOA) for the Draft SEIR was submitted on October 2, 2020 to the Governor’s Office of Planning and Research, State Clearinghouse, as well as interested agencies, organizations, and individuals for a 45-day review period that concluded on November 16, 2020. The Draft SEIR was made available at UCI Campus Physical and Environmental Planning and digitally on its website. Due to the COVID-19 pandemic, the public hearing on the Draft SEIR was held on October 19, 2020 virtually via Zoom during which the project and Draft SEIR were presented and the opportunity to provide oral and written comment was provided.

Environmental Impacts

The following key issues were analyzed in the SEIR: aesthetics, air quality, biological resources, cultural resources, energy, geology and soils, greenhouse gas emissions, hazards and hazardous materials, hydrology and water quality, land use and planning, noise, population and housing, public services, recreation, transportation, tribal cultural resources, and utilities and service systems. The SEIR concluded that implementation of the proposed project may result in significant environmental impacts. Mitigation proposed in the SEIR would reduce significant impacts to the extent feasible; however, as disclosed in the CEQA Findings (Attachment 15), which includes the Statement of Overriding Considerations, significant and unavoidable impacts would still occur due to the following:

- **Cultural Resources:** The proposed project would result in a substantial adverse change in the significance of a prehistoric or historic archaeological resource pursuant to CEQA Guidelines Section 15064.5. The previously identified site P30-000115/CA-ORA-115 would be lost because avoidance is not possible and proposed feasible mitigation, Mitigation Measures CUL-1, CUL-2, and CUL-3, which includes recovery of the resource, would not reduce impacts to less than significant. As such, potential impacts

remain significant and unavoidable. Potential cumulative impacts related to cultural resources would also be significant and unavoidable.

- **Tribal Cultural Resources:** It is possible that unknown buried tribal cultural resources could be present on the Project site and would not be discovered until after construction activities begin. Should buried or otherwise unknown tribal cultural resources, per Public Resources Code Section 5024.1, be encountered and damaged during construction, a potentially significant impact would result. Implementation of Mitigation Measures CUL-1, CUL-2, and CUL-3 would reduce impacts to unknown Tribal Cultural Resources, but due to impacts on archaeological site P30-000115/CA-ORA-115, potential impacts remain significant and unavoidable. Potential cumulative impacts related to tribal cultural resources would also be significant and unavoidable.

Public Comments

During the public review period, 86 comment letters were received from and responses to comments are included in the Final SEIR. The comments received did not raise any new issues that were not adequately analyzed in the Irvine Campus Medical Complex SEIR pursuant to CEQA, and recirculation of the document was not required. The Final SEIR contains all of the comments received during the public comment period, including the comments from the public hearing, along with written responses to those comments, which were prepared in accordance with CEQA and the CEQA Guidelines. A link to the Final SEIR may be found in Attachment 14.

Findings

The Statement of Overriding Considerations included in the CEQA Findings (Attachment 15) states that the decision-making body has balanced the benefits of the proposed project against its unavoidable significant environmental effects and has determined that the benefits of the project outweigh the significant and unavoidable impacts and, therefore, the adverse effects are considered acceptable. Mitigation for all significant impacts will be implemented as part of the proposed project. The Mitigation Monitoring and Reporting Program (MMRP), which details the implementation and monitoring of the mitigation measures, is included in the Final SEIR.