GB3C

Office of the President

TO MEMBERS OF THE COMMITTEE ON GROUNDS AND BUILDINGS:

ACTION ITEM

For Meeting of March 18, 2008

AMENDMENT OF THE BUDGET FOR CAPITAL IMPROVEMENTS AND THE CAPITAL IMPROVEMENT PROGRAM AND APPROVAL OF EXTERNAL FINANCING FOR PORTER COLLEGE SEISMIC AND CAPITAL RENEWAL PHASE 1, SANTA CRUZ CAMPUS

EXECUTIVE SUMMARY

Campus:	Santa Cruz
Project:	Porter College Seismic and Capital Renewal Phase 1
Proposed Action:	Approval of project budget of $58,662,000 and external financing of $54,889,000.
Total Cost:	$58,662,000 to be funded from housing reserves ($3,773,000) and external financing ($54,889,000).
Previous Actions:	None
Project Summary:	The Santa Cruz campus proposes the renovation and seismic upgrade of the Porter College Dining Common Building, constructed in 1970, the seismic upgrade and capital renewal of Porter College House B, also constructed in 1970, and site work serving the Porter College complex.
Issues:	• The buildings were rated seismically "poor" in 1998. A 2005-06 reiterated the findings of the 1998 report. • Approval for external financing of $54,889,000. • This project would not necessitate raising student room and board fees above the projected eight percent annual increase as planned and included in the campus University of California Housing System Ten-Year Financial Plan. • This project is currently included as part of the Five-Year Non-State Capital Program.

RECOMMENDATION

The President recommends that:

(1) The 2007-08 Budget for Capital Improvements and the Capital Improvement Program be amended to include the following project:

Santa Cruz: Porter College Seismic and Capital Renewal Phase 1 - preliminary plans, working drawings, and construction - $58,662,000 to be funded from housing reserves ($3,773,000) and external financing ($54,889,000).

(2) The President be authorized to obtain external financing not to exceed $54,889,000 to finance the Porter College Seismic and Capital Renewal Phase 1 project, subject to the following conditions:

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

b. As long as the debt is outstanding, University of California Housing System fees for the Santa Cruz campus shall be maintained in amounts sufficient to pay the debt service and to meet the related requirements of the authorized financing.

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

(3) The Officers of The Regents be authorized to provide certification to the lender that interest paid by the Regents is excluded from gross income for purposes of federal income taxation under existing law.

(4) The Officers of The Regents be authorized to execute all documents necessary in connection with the above.

A Key to abbreviations and the project description are provided below.

KEY
Capital Improvement Program Abbreviations

S Studies

P Preliminary Plans

W Working Drawings

C Construction

E Equipment

- State Funds (no abbreviation)

F Federal Funds

G Gifts

HR Hospital Reserve Funds

I California Institutes for Science and Innovation

LB Bank Loans or Bonds (External Financing includes Garamendi, Bonds, Standby, Interim and Bank Loans)

LR Regents' Loans (Internal Loans)

N Reserves other than University Registration Fee (Housing and Parking Reserves)

R University Registration Fee Reserves

U Regents' Appropriations (President's Funds, Educational Fund)

X Campus Funds

CCCI California Construction Cost Index

EPI Equipment Price Index

Budget for Capital Improvements and Capital Improvement Program
Scheduled for
Regent's Allocations, Loans, Income Reserves,
University Registration Fee Reserves, Gift Funds, and Miscellaneous Funds

Campus and Project Title (Total Cost)		Proposed 2007-08	
Santa Cruz			
Porter College Seismic and	P	$897,000	N
Capital Renewal Phase 1	W	$1,876,000	N
	W	$1,660,000	LB
	C	$53,229,000	LB
($58,662,000)	E	$1,000,000	N

DESCRIPTION

This project would combine capital renewal and seismic corrections for Porter College Dining Common building and Porter College House B, a residential dormitory, on the Santa Cruz campus. The scope of work for Porter College Dining Common includes seismic corrections and the renovation and maintenance of the original dining hall, servery, kitchen and food preparation areas, and the Hungry Slug Café. Project scope for Porter College House B includes capital renewal and seismic corrections of structural deficiencies. Also included would be site capital renewal serving the entire Porter College complex. The project cost would be $58,662,000 funded from housing reserves ($3,773,000) and external financing ($54,889,000).

Background

The majority of student residence halls and apartment on the UCSC campus are over 35 years old and these facilities require major maintenance projects and renovations. As a result the Santa Cruz campus' College and University Housing Services (CUHS) has initiated a program to perform repair and maintenance services during the summer when the residential buildings are unoccupied. The program's goal is to complete the major maintenance and repair for each f the campus; ten colleges each summer, with the cycle repeating very ten years. Beginning in 2005, Oakes College residential facilities were refurbished, followed by College Eight in 2006, and Stevenson College in fall 2007. Porter College's residence halls are scheduled for capital renewal beginning in the summer 2008 as part of CUHS' ten-year plan. The capital renewal in Porter House B would be coordinated with seismic corrections to structural deficiencies and with renovation of the Dining Common building. At a future date, Phase 2 of the Porter College Seismic and Capital Renewal project would address similar issues for Porter House A.

The Porter College buildings were originally constructed in 1970. Porter College House B, built for 312 bed spaces, is a cast-in-place reinforced concrete building of approximately 47,000 ASF

and 73,500 OGSF, standing five stories tall. Given the age of the Porter College facilities, capital renewal and seismic corrections in College House B are required to address life safety issues, energy efficiency, and changing code and ADA compliance.

The Porter College Dining Common building, a two-story concrete and wood structure, is approximately 17,000 ASF and 28,000 OGSF. The dining facility at Porter College Common serves both the Porter and Kresge College communities, and has had a steady increase in student participation since the late 1990's. The increase in dining demand is largely due to the increase in campus enrollments, the number of students living in on-campus housing, the addition of new apartments, and the initiation of a required meal plan for residents.

In the past three years, the University has added both permanent and temporary bed spaces in order to meet increased student housing demand. In fall 2004, new student apartments opened at Cowell College adding 182 bed spaces, Stevenson College adding 142 bed spaces, and Porter College adding 328 bed spaces. Though residential students generally eat their meals at their own college they are free to eat at any of the campus dining halls, so campus-wide increases in residential populations have had an impact on each dining facility. Additionally, all residential students are now required to have a meal plan. These changes have led to an increase in the number of students being fed in the Porter dining hall, putting a greater demand on both the kitchen and servery.

While there have been increases in both new and overflow student housing bed spaces, there have not been any significant improvements to the Porter College Dining Common. Originally built to feed 543 residents, the Porter dining hall and servery are now the primary dining facility for 913 Porter residents and many of the 418 Kresge College residents.

UC Santa Cruz is located in a region of high seismicity. The campus lies 10 miles west of the San Andreas fault, 8 miles east of the San Gregorio fault, 22 miles west of the Sargent fault, and 28 miles west of the Calaveras and Evergreen faults. Following the Loma Prieta, Northridge, and Kobe earthquakes, the campus evaluated the seismic performance of several of its housing and dining facilities and identified deficiencies.

In 1998, a seismic study conducted by Wildman and Morris Engineers rated the Porter College Dining Common Building "seismically poor." In that same year, a seismic study conducted by Degenkolb Engineers rated Porter College House B "seismically poor," and concluded that House B "would have a near collapse seismic performance level." In both the Common and House B buildings, a seismic event could present serious life-safety hazards.

Another seismic assessment of the Porter College buildings was done for housing by Forell/Elsesser Engineers in 2005-06. Their report, dated January 13, 2006, reiterated the findings of the 1998 report and identified an additional deficiency along the north wall separating Porter House B from the Dining Common.

Project Description

The proposed Porter College Seismic and Capital Renewal Phase 1 project would correct the buildings' structural systems to obtain a "good" seismic performance rating. The campus is required to bring the buildings into compliance with the State of California Building Code and Title 24 Accessibility Standards and may use the methodology contained in the American Society of Civil Engineers standard for Seismic Evaluation of Existing Buildings (ASCE-31).

Seismic upgrades in the dining common would include the addition of new concrete shear walls with new footings and the addition of a new sheathing layer on the existing roof diaphragm. Existing connections between the roof and the concrete walls and beams, and the laminated wood beams to the concrete walls and beams would also be upgraded or reinforced. The seismic corrections for Porter House B would include the introduction of new shear walls located centrally in each wing. These seismic upgrades are located at the restroom cores and thus impact the existing restrooms, which are therefore planned for major maintenance as well. A new accessible elevator would be installed to serve House B together with other accessible route upgrades to meet ADA requirements. Accessibility issues would also be addressed throughout the dining hall and food service areas, and asbestos abatement would be done.

The non-structural components of this project focus on capital renewal and renovation. The project scope at Porter College Dining Common would include replacement of the existing heating hot water boiler system with a high efficiency system and replacement of the existing Building Management System with a new system compatible with current campus standards. The controls of most of the college's mechanical, plumbing and equipment monitoring systems would be upgraded in this scope. New corrective measures and parts replacements would cover the maintenance scope for the existing main electrical switchboard. The existing under-slab heating ducts in the dining hall have been found to contain asbestos, and investigation has determined them to have water penetration. The dining hall maintenance and repair scope includes removal of the ductwork, provision of concrete utility trenches and installation of new stainless steel ductwork.

The capital renewal component in Porter House B would include extensive restroom renovations, correction of code and accessibility inadequacies, replacement of plumbing and fixtures, and abatement of asbestos-containing materials. Counter tops, mirrors and other restroom accessories would also be replaced. Electrical and mechanical issues would be addressed and remedied with repair or replacement, as determined. Additional project scope includes upgrade of hallway and resident room lighting, exterior and interior painting, and replacement of carpet throughout the building.

The existing exterior walls and windows of Porter College House B have allowed water to penetrate to such an extent that the metal stud framing supporting the exterior stucco has rusted and deteriorated. The exterior skin of the building would be replaced, including the existing windows, to eliminate water penetration. The new windows would allow emergency egress as now required by life-safety codes, and would be designed to be more energy-efficient.

The site work in this project would include replacement of existing sewer and storm water systems to correct problems with pipe integrity, such as sagging and cracked pipes and broken pipe joints and fittings. Additional site work would address accessibility pathways, asphalt and concrete repair, and landscape and irrigation upgrades for water conservation.

The renovation portion of the project for the Porter dining hall and servery would include improvements to incorporate a "Marketplace" design, implementing multiple locations where food items would be prepared and served. This style of presentation would reduce crowding in the service area and improve meal delivery to the students. The kitchen at Porter College Dining Common is the smallest on campus and, with the increased number of meals being prepared, is extremely inefficient. Dated kitchen equipment and refrigeration would be replaced and in some areas reconfigured to relieve crowded conditions for better space efficiency.

A major component of the Porter College Dining Common renovation would address the entry stairs to the dining hall. Students currently enter the dining hall from an upstairs mezzanine and a centrally located stairway. The cashier is located at this point of entry, away from the kitchen and servery, resulting in security issues and lack of proper oversight. As part of this project the existing stairs would be removed and a new stairway would be constructed along the perimeter wall of the dining room, near the existing elevator. Relocation of the entry stairs would allow for improved circulation downstairs and additional space for expansion of the servery, kitchen, and dish room. The new stair configuration also allows the mezzanine level to function more effectively as a student foyer.

The Porter dining hall contains a large performance stage which would be brought up to current code by removing an existing ramp and installing an accessible lift. In addition, because student events often conflict with the dining program, an outside patio area would be partially enclosed to provide additional seating and provide an option for separate student programming space. The proposed patio dining area would also be able to host conference events during the non-academic season. Total current seating capacity is 250 students; the proposed capacity is 330, including the outdoor area.

The Hungry Slug Café would also undergo renovation as part of this project. The scope would remedy accessibility and code issues in the kitchen, support spaces, and dining area. General lighting would be updated and accessibility and outdoor seating would be enhanced.

The seismic and capital renewal work in Porter College House B would commence in August of 2008 and be complete in September of 2009, prior to the start of fall quarter. Site work may commence as early as June of 2008. The Porter College Dining Common building seismic and renovation work would begin in April 2009, following completion of the renovation of Cowell College Commons, and would be operational for winter quarter in January 2010.

Plans are underway to provide food service for students at adjacent dining venues in College Eight dining hall, and the College Eight, Oakes and Kresge Colleges' cafes during Porter construction. New students will be accommodated throughout the campus, with a smaller freshman enrollment scheduled for Porter College during the 2008-09 academic year. Additional

temporary overflow bed spaces would be incorporated into the other nine colleges to accommodate all new students.

Policy on Sustainable Practices

This project will comply with the *University of California Policy on Sustainable Practices*. As required by this policy, the project will adopt the principles of energy efficiency and sustainability to the fullest extent possible, consistent with budgetary constraints and regulatory and programmatic requirements. Specific information regarding energy efficiency and sustainability will be provided when the project is presented for design approval.

The proposed Porter College Seismic and Capital Renewal Phase 1 project would strive for sustainable solutions wherever possible; specifically in building materials, paint, carpet, lighting, equipment, and furniture purchases. This project would be LEED-Commercial Interiors equivalent at the certified. In November 2007 the Porter dining hall received Green Business Certification from the City of Santa Cruz for meeting required criteria in the areas of pollution prevention, energy and water conservation, solid waste reduction, code compliance, and employee awareness and training.

CEQA Classification

The project is consistent with the campus's 1988 Long Range Development Plan. For purposes of compliance with the California Environmental Quality Act of 1970 (CEQA) and Amended University of California Procedures for Implementation of CEQA, this project has been reviewed and an Initial Study is to be prepared to determine if the project may have a significant effect on the environment that has not been substantially and adequately analyzed in a certified program EIR. The environmental documentation will be completed for consideration with project design review and approval.

Financial Feasibility

The total project cost of $58,662,000 would be funded from housing reserves ($3,773,000) and external financing ($54,889,000).

Based on long-term debt of $54,889,000 amortized over 30 years at 5.75% interest, the annual debt service is estimated at $3,881,544. As long as the debt is outstanding, University of California Housing System (UCHS) fees for the Santa Cruz campus shall be maintained in amounts sufficient to pay the debt service and to meet the related requirements of the authorized financing. The external financing will be paid from specific revenue sources specified in the external financing documents; therefore, the general credit of the Regents will not be pledged.

This project would not necessitate raising student room and board fees above the projected eight percent annual increase as planned and included in the campus UCHS Ten-Year Financial Plan.

(Attachments)

ATTACHMENT 1

PROJECT STATISTICS
PORTER COLLEGE SEISMIC AND CAPITAL RENEWAL PHASE 1
CAPITAL IMPROVEMENT BUDGET
SANTA CRUZ CAMPUS
CCCI 5536

Cost Category	Porter College Dining Common and House B	% of Total
Site Clearance	$ 805,000	1.4 %
Building	39,229,000	68.0 %
Exterior Utilities	1,065,000	1.8 %
Site Development	2,311,000	4.0 %
A/E Fees	3,766,000	6.5 %
Campus Administration [(a)]	2,338,000	4.1 %
Surveys, Tests	326,000	0.6 %
Special Items [(b)]	3,481,000	6.0 %
Contingency	4,341,000	7.5 %
Total	$ 57,662,000	100 %
Group 2 & 3 Equipment	1,000,000	
Total Project	$ 58,662,000	100 %

Statistics	Porter College Dining Common and House B
Gross Square Feet (GSF) [(c)]	101,802
Assignable Square Feet (ASF) [(c)]	64,156
Ratio ASF/GSF (%) UC	63.0%
Building Cost/GSF [(c)]	$385

Comparable University Projects at CCCI 5536

Comparable projects are not provided due to the extreme difference in scope and existing building conditions between residential renovation and repair projects.

(a) Campus administration includes project management and inspection.

(b) Special items include environmental planning, permits and agency review, geotechnical and geology consultants, original site survey, independent seismic review, special roofing consultant, EH&S monitoring and testing, pre-design studies, food service consultant, CM at risk consultant, value engineering and constructability review, storm water prevention plan, waterproofing consultant, lighting consultant, acoustical consultant, commissioning consultant, elevator consultant, thermal/energy modeling totaling $1,284,000, and interest during construction totaling $2,197,000.

(c) Gross 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.

ATTACHMENT 2

SUMMARY FINANCIAL FEASIBILITY ANALYSIS

Project Title: Porter College Seismic and Capital Renewal Phase 1, Santa Cruz campus

Total Estimated Project Cost	$ 58,662,000
Proposed Source of Financing:	
External Financing	$ 54,889,000
UC Housing System Net Revenue Fund	$ 3,773,000
Total	$ 58,662,000
Projected Bond Terms:	
Interest rate: 5.75%	
Duration: 30 years	
Santa Cruz UCHS Campus Information (2011-12)[1]	
Campus UCHS Revenue (plus STIP)	$ 90,745,000
Campus UCHS Operating Expenses	$ 60,306,000
Net Revenues Available for Debt Service (including STIP)	$ 31,990,000
Annual Debt Service	
Principal and Interest – (assumed 2011-12)	
Porter Seismic and Renewal	$ 3,724,000
Planned Cowell College Commons Seismic & Capital Renewal	$ 897,000
Existing facility principal and interest	$ 14,545,000
Total	$ 19,166,000
Annual Surplus for Major Maintenance (2011-12)	$ 12,824,000
Debt Service Coverage	1.67X
UC Housing System Information (2011-12)	
Estimated average annual net revenues	$367,696,000
Estimated average annual loan payments	$250,909,000
Estimated annual surplus for major maintenance	$116,787,000
Estimated debt service coverage	1.47X

[1] First full year of principal and interest