

Office of the President

TO MEMBERS OF THE FINANCE AND CAPITAL STRATEGIES COMMITTEE:

**ACTION ITEM**

*For Meeting of March 17, 2021*

**BUDGET, SCOPE, EXTERNAL FINANCING, AMENDMENT #9 TO THE UCSF 2014 LONG RANGE DEVELOPMENT PLAN AND DESIGN FOLLOWING ACTION PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT, MISSION BAY EAST CAMPUS PHASE 2 CLINICAL BUILDING AND MISSION BAY EAST CAMPUS PHASE 2 PARKING GARAGE, SAN FRANCISCO CAMPUS**

**EXECUTIVE SUMMARY**

The San Francisco campus proposes to construct a new, approximately 182,800-gross-square-foot Clinical Building and a new 500-space Parking Garage on the East Campus Phase 2 parcel (Block 34) at the Mission Bay campus site. In support of UCSF's Strategic Plan to increase its market presence and continued clinical growth, the proposed Clinical Building would provide an ambulatory surgery center, pharmacy, adult primary and secondary multi-specialty clinics, and supporting clinical services. The proposed Parking Garage would support anticipated demand for parking created by the proposed Clinical Building and the Child, Teen and Family Center and Department of Psychiatry Building at 2130 Third Street (under construction), and existing demand from other clinical facilities at the Mission Bay campus site. Both projects are being developed using the same design and construction team.

UCSF has determined that the Clinical Building and the Parking Garage projects are crucial to pursue at this time. The Clinical Building is critical to UCSF Health's operations as it is essential to provide an ambulatory surgery center and adult primary and secondary multi-specialty clinics to address growth in patient demand. UCSF's ability to serve patients is limited by existing capacity in facilities at Parnassus Heights and Mission Bay. The Clinical Building has a positive return on investment and is critical to support the increasing demand for outpatient surgery, especially with ophthalmology expanding in the adjacent Wayne and Gladys Valley Center for Vision.

The Parking Garage is necessary to support the clinical services planned for the proposed Clinical Building, as well as to support parking demand from existing and new development at the Mission Bay campus site. Even during the pandemic, existing parking garages and surface lots that primarily support UCSF Health patients and visitors are operating at 100 percent capacity during peak hours.

The Regents are now being asked to: 1) approve the project budget of \$335,843,000 to be funded from external financing for the Mission Bay East Campus Phase 2 Clinical Building project; 2) approve the project budget of \$65.98 million to be funded from external financing for the Mission Bay East Campus Phase 2 Parking Garage project; 3) approve the project scope for the Clinical Building; 4) amend the project scope for the Parking Garage; 5) approve \$335,843,000 in external financing for the Clinical Building; 6) approve \$65.98 million in external financing for the Parking Garage; 7) approve Amendment #9 to the 2014 Long Range Development Plan; and 8) approve the design of the Clinical Building and Parking Garage projects.

### **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:

(1) From: San Francisco: Mission Bay East Campus Phase 2 Clinical Building – preliminary plans – \$23 million to be funded from hospital reserves.

To: San Francisco: Mission Bay East Campus Phase 2 Clinical Building – preliminary plans, working drawings, construction, and equipment – \$335,843,000 to be funded from external financing.

(2) From: San Francisco: Mission Bay East Campus Phase 2 Parking Garage – preliminary plans and working drawings – \$4.5 million to be funded from auxiliary reserves.

To: San Francisco: Mission Bay East Campus Phase 2 Parking Garage – preliminary plans, working drawings, construction, and equipment – \$65.98 million to be funded from external financing.

B. The Regents approve the scope of the:

(1) Mission Bay East Campus Phase 2 Clinical Building to construct a new clinical building of approximately 182,800 gross square feet (GSF) to consist of an ambulatory surgery center (48,200 GSF), adult primary and secondary multi-specialty clinics (61,400 GSF), pharmacy (4,800 GSF), building support (28,400 GSF), and shelled space (40,000 GSF) for future buildout of additional specialty clinics to accommodate growth.

(2) Mission Bay East Campus Phase 2 Parking Garage to provide a new parking garage of up to 500 spaces and approximately 4,100 gross square feet (GSF) to consist of office and administrative space for UCSF Transportation Services

staff (3,400 GSF) and building support (700 GSF).

**C. The President be authorized to obtain external financing:**

- (1) For the Mission Bay East Campus Phase 2 Clinical Building, external financing from the Medical Center Pooled Revenue Bond 2020 Series N bonds in an amount not to exceed \$335,843,000 plus additional related financing costs. The President shall require that:
  - a. Interest only, based on the amount drawn, shall be paid on the outstanding balance during the construction period.
  - b. As long as the debt is outstanding, general revenues from UCSF Health shall be maintained in an amount 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.
- (2) For the Mission Bay East Campus Phase 2 Parking Garage, external financing in an amount not to exceed \$65.98 million plus additional related financing costs. The President shall require that:
  - a. Interest only, based on the amount drawn, shall be paid on the outstanding balance during the construction period.
  - b. As long as the debt is outstanding, general revenues from the San Francisco campus shall be maintained in an amount 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.

**D. Following review and consideration of the environmental consequences of the proposed Mission Bay East Campus Phase 2 Clinical Building and Parking Garage projects, 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 to the Regents 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) Adopt the CEQA Findings for the Mission Bay East Campus Phase 2 Clinical Building and Parking Garage projects, having considered both the UC San Francisco 2014 Long Range Development Plan (LRDP) Final Environmental Impact Report (FEIR) and Addendum #5 to the UC San Francisco 2014 LRDP FEIR.

- (2) Approve Amendment #9 to the UC San Francisco 2014 Long Range Development Plan.
  - (3) Approve the design of the Mission Bay East Campus Phase 2 Clinical Building project.
  - (4) Approve the design of the Mission Bay East Campus Phase 2 Parking Garage project, San Francisco campus.
- E. The President, in consultation with the General Counsel, be authorized to execute all documents necessary in connection with the above.

### **BACKGROUND**

UCSF Health's Strategic Plan, Vision 2025, calls for it to fulfill the health system's unique role in its broader network as the Bay Area's leading complex care provider and destination for tertiary and quaternary care. Further growth is limited by both ambulatory and inpatient capacity, which will be further constrained by the recent conversion of inpatient beds at Mount Zion to respond to the COVID-19 pandemic and investigation of possibly reopening as an acute care hospital; Mount Zion would then have less operating room capacity for outpatient surgeries resulting from use for inpatient surgeries. The proposed Clinical Building would allow UCSF to create capacity in an ambulatory setting for both primary and specialty care as well as ambulatory surgery, and this would subsequently free up capacity in UCSF's inpatient facilities.

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

#### ***Project Drivers for the Clinical Building***

##### **Provide an Ambulatory Surgery Center (ASC)**

The capacity of the operating rooms at Mission Bay, Parnassus Heights, and Mount Zion cannot meet the demand from both inpatient and outpatient surgical services. Outpatient surgical volume has grown at a rate of seven percent per year over the last five years and continued growth is expected. A new ASC at the Mission Bay campus would increase the capacity for inpatient surgical services at Parnassus Heights and the Mission Bay Hospital by directing outpatient surgical services to the ASC. Additionally, locating an ASC at Mission Bay would provide consolidation of some cancer services.

Expand Access to Adult Primary and Secondary Multi-Specialty Clinics

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

New clinics would support inpatient adult care being provided at Mission Bay. Also, the creation of an adult urgent care clinic would provide services that are lacking in the area and support the Mission Bay Hospital's emergency room by allowing it to direct adult patients to the urgent care clinic.

***Project Drivers for the Parking Garage***

Much of the demand for campus parking is from patients and visitors who use the clinical facilities at the campus, including the Mission Bay Hospitals, UCSF Ron Conway Family Gateway Medical Building, Bakar Precision Cancer Medicine Building, and the recently completed Wayne and Gladys Valley Center for Vision (Valley Center for Vision). When the new Child, Teen, and Family Center / Department of Psychiatry Building at 2130 Third Street opens in 2021, demand for patient parking will further increase.<sup>1</sup>

Patients and visitors who frequent clinical facilities at Mission Bay are highly dependent on driving to campus and require onsite parking. To facilitate the patient experience, parking facilities also need to be easily navigable and proximate to the locations where services are provided. With recent employment growth and new developments in the Mission Bay area, especially the neighboring Chase Center and Uber Headquarters, the availability of off-site parking options has essentially been eliminated.

The parking options that currently support patients and visitors of the clinical facilities are the Owens Street Garage and surface lot adjacent to the Mission Bay Hospitals. This garage and parking lot operate at 100 percent capacity during peak hours, even during the pandemic, with valet service activated daily to accommodate overflow patient demand. A temporary 200-space surface parking lot was constructed adjacent to the Valley Center for Vision to accommodate patient parking demand and some parking by faculty and staff, but 200 spaces are insufficient to accommodate parking demand from the Valley Center for Vision, the proposed Clinical Building, and the Child, Teen, and Family Center / Department of Psychiatry Building.

Other parking locations at the Mission Bay campus site are located farther from the clinical facilities and, while available to patients and visitors, are primarily used by faculty, staff, and students/trainees. Pre-pandemic, these campus parking garages and surface lots operated at

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<sup>1</sup> The Child, Teen, and Family Center / Department of Psychiatry Building at 2130 Third Street is planned to have 41 valet spaces to accommodate peak demand for patients and visitors.

85 percent occupancy during peak hours. In a post-pandemic norm, it is anticipated that some campus employees will continue to work remotely part- or full-time; however, any corresponding reduction in parking utilization from remote workers would be quickly absorbed by newcomers to the Mission Bay campus. Population growth is anticipated starting in late 2021, when the Weill Neurosciences Building opens and as UCSF transfers employees to campus locations as expensive off-campus leases are not renewed. By 2023, demand for parking will exceed the pre-pandemic demand. The increased parking provided by this project will address this demand and future demand as the Mission Bay campus continues to expand.

In addition, the existing supply of parking will be reduced with the elimination of a 286-space surface parking lot on Mission Bay Block 14. In late 2021, the lot will be turned over to the City and County of San Francisco (or, at the City's election, to the San Francisco Unified School District) for development of a public school as contemplated in the agreement through which the University acquired the Mission Bay campus site.

At least one additional Mission Bay surface lot (on either Blocks 15 or 16) will continue to be used for contractor parking until further notice. This parking would not be available for permit parking in 2023 or 2024 as originally planned. Without this lot, inventory is further strained.

The temporary 200-space surface parking lot adjacent to the Valley Center for Vision would be demolished in phases by the proposed Clinical Building and Parking Garage projects to provide for a limited number of patient and visitor parking spaces during construction. For the approximate one year between the removal of the last section of the surface lot and opening of the proposed parking garage, valet service would be implemented for patients and visitors accessing the Valley Center for Vision for whom other parking options are too far away.

The proposed 500-space Parking Garage is critical to meeting the anticipated demand for parking, even with valet service to assist with overflow demand. Use of the Parking Garage would be prioritized for patients and visitors and is critical to a positive patient and caregiver experience as UCSF Health grows its clinical services at the Mission Bay campus.

### ***Prior Actions***

In December 2019, the Clinical Building was presented to the Health Services Committee. Both the Clinical Building and Parking Garage projects were provided as an information item to the Finance and Capital Strategies Committee at the January 2020 meeting. Partial preliminary plans funding (\$2 million) was approved at the March 2020 Regents meeting and the remaining preliminary plans funding was approved in May 2020 (revised total of \$23 million) for the Clinical Building project. In May 2020, the Regents approved preliminary plans funding (\$2.2 million) and working drawings funding (\$2.3 million) and scope for the Parking Garage project.

## PROJECT DESCRIPTION

The proposed projects to be constructed on the Mission Bay East Campus Phase 2 (Block 34) site include an 182,800-gross-square-foot (GSF) Clinical Building and a 500-space, approximately 183,400-GSF Parking Garage.

### *Clinical Building Program*

The Clinical Building would accommodate new programs to expand adult clinical services to Mission Bay. The building program is provided in the below table:

#### **Clinical Building Program**

Space Type	GSF
Ambulatory Surgery Center	48,200
Multispecialty Clinics	61,400
Pharmacy	4,800
Building Support	28,400
“Warm” Shell	40,000
Total	182,800
The proposed shell space could ultimately add approximately 36,300 ASF of specialty clinics space to the program.	

Ambulatory Surgery Center: The ambulatory surgery center would primarily support ophthalmology, women’s health, adult cancer, and surgery patients. Service lines include breast, eye, gastrointestinal and general surgery, urology, gynecology, gynecology/oncology, otolaryngology-head and neck, plastic and reproductive endocrine, and infertility. Fourteen operating rooms (ORs), two procedure rooms, and 42 pre-operative and post-anesthesia care unit (PACU) bays would be constructed. Eight of the PACU bays would comprise private rooms, with two planned as extended-stay private rooms. Eight of the ORs would be fully equipped and operational when the Clinical Building opens. The remaining six ORs would be equipped at a later date to accommodate future growth; these would be constructed with the proposed project to avoid future disruption from invasive construction activity. In addition, a fully equipped sterile processing department that would accommodate all instrument cleaning on premise would be constructed as part of the ambulatory surgery center.

Multispecialty Clinics: Adult primary and secondary multidisciplinary clinics would include dermatology, urology, adult primary care, otolaryngology-head and neck surgery, gastrointestinal, endocrinology, adult urgent care, rheumatology, pulmonary, radiology, outpatient rehabilitation, cardiology, and blood draw laboratory to support clinics and urgent care. Clinics would be grouped in modules comprised of ten examination rooms and two procedure rooms to support future flexibility; a total of 12 modules have been programmed, with four modules located on each of the three clinic floors. Six modules would be built as part of this project, with the remaining modules constructed in the future as part of the build-out of shelled

space on floors four and five. The urgent care clinic would be equipped with one computerized tomography, two general radiographic, and three ultrasound units.

Pharmacy: The pharmacy would be a combination retail and compounding pharmacy, operating under two separate licenses. The retail pharmacy would fill prescriptions for patients and neighbors within Mission Bay. The compounding pharmacy would support clinical and surgical programs within the Clinical Building and in the adjacent Valley Center for Vision.

Building Support: The building would include support service spaces (i.e., loading dock, enclosed trash, and recycling bay), materials management (i.e., linen, food, and waste), facilities services, security, and building services (mechanical, electrical, plumbing). Public amenities would include lobby waiting and reception, and a grab-and-go café.

Warm Shell: The East Campus Phase 2 site is one of the last opportunities for construction of clinical space at the Mission Bay campus, except for the Mission Bay Hospital Phase 2 site. Therefore, the Clinical Building is designed to maximize the entitlement for the site. The shelled space is planned for future specialty clinics to be built out as warranted by future demand and financial feasibility. The shelled space is consolidated on floor five and part of floor four to minimize future disruption to the rest of the clinical services when the future construction is undertaken. Space would be constructed as a “warm” shell, with the building utilities infrastructure included during initial building construction. Space and infrastructure to add a fourth generator to support the future build-out would be accommodated at the mechanical roof level.

### ***Parking Garage Program***

The Parking Garage would consist of approximately 500 parking spaces. Approximately 4,100 GSF of program space within the Parking Garage would include office and administrative support spaces for Transportation Services staff (3,400 GSF) and building support (700 GSF). In May 2020, the Regents approved the scope of the Parking Garage to include approximately 2,500 GSF of program space; however, once the design progressed and the building support requirements were refined, the GSF was increased by 1,600 GSF. The program space would be constructed as part of the Parking Garage (instead of within the Clinical Building) to provide better adjacencies onsite for Transportation Services staff supporting the operations around the Mission Bay campus and the Parking Garage and to avoid complications with introducing a new program element within the clinical facility.

### ***Location and Site Conditions***

The Mission Bay East Campus (which contains both Blocks 33 and 34) is bounded by Third Street to the west, 16th Street to the north, Illinois Street to the east, and Mariposa Street to the south. Under the 2014 Long Range Development Plan, as amended, the East Campus is projected to accommodate 550,000 GSF of development in two buildings and 500 structured



parking spaces.<sup>2</sup> The recently completed Valley Center for Vision is located on the northern portion of the site. The proposed Clinical Building and the Parking Garage would be located on the southern portion. (See Attachment 1 – Project Location Map.)

The Clinical Building and Parking Garage would be located on an existing surface parking lot for the Valley Center for Vision. Construction of the buildings would be phased, with the Parking Garage construction starting and finishing first to minimize the parking operations disruption caused by the elimination of the surface parking lot.

The site's soil composition and characteristics are prone to liquefaction and lateral spreading in a major seismic event. To mitigate this, site stabilization is needed in the form of a ground improvement system. Drilled displacement columns would be installed throughout the site for site stabilization due to poor soil quality. This system is in addition to the deep foundation required of the Clinical Building and Parking Garage structures.

Site improvements would include the development of shared park space (Paseo) and shared patient vehicular drop-off between the Clinical Building and the adjacent Valley Center for Vision. Building utilities would tie into existing utility main lines for water and power.

### ***Project Schedule***

Following the requested approvals, the design would continue through working drawings for the Clinical Building, with construction planned to begin in August 2021 and the first patient in August 2024. With the Parking Garage advancing ahead of the Clinical Building, construction is planned to begin in April 2021 and to complete in August 2022.

### ***Project Delivery***

The projects are being delivered using the Construction Manager at Risk form of Integrated Project Delivery (IPD) model, emphasizing the same principles used to achieve the successful results of the UCSF Medical Center at Mission Bay project. With this approach, the design is performed by an integrated team including UCSF, the architect, contractor, construction manager, and key subcontractors working collaboratively to optimize project quality within a cost target set by UCSF. The IPD process optimizes the use of Lean tools, processes, and 3-D modeling. In addition to minimizing risk, the IPD method provides the greatest control over the design, quality, and management of patient, staff, visitor, and community requests.

Pre-COVID-19, this collaboration was conducted in a “big room” environment; however, due to

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<sup>2</sup> Due to its location in a former City and County of San Francisco Redevelopment Plan Area, the development capacity of the East Campus is limited by a Memorandum of Understanding (MOU) with the San Francisco Office of Community Investment and Infrastructure (OCII) to 500,000 GSF plus 500 parking spaces. Based on differences in the way that GSF is defined by the OCII and the University of California, LRDP Amendment #8 clarified that the projected capacity of the East Campus, using the University's definition of GSF, is 550,000 GSF. For purposes of implementing the MOU with the OCII, development of the East Campus would still comply with the 500,000 GSF limit specified in the MOU when using the OCII's definition of GSF.

stay-at-home orders during the pandemic, collaborative work is maintained virtually utilizing varying platforms and software to develop the design collectively. As the project advances through design and into construction, it will become more important to return to a physical workspace with a modified schedule and socially distanced work plan based on UCSF return-to-work guidelines.

UCSF is using the same integrated team for design and construction of both the Clinical Building and the Parking Garage and using a single construction contract to take advantage of economies of scale and efficiencies related to having one contractor on site.

### **LRDP AMENDMENT**

The land at Mission Bay Blocks 33 and 34 (East Campus) had been recently acquired when UCSF's 2014 LRDP was approved. At that time, it was projected that the East Campus would be developed with research and parking uses; however, sufficient planning had not occurred to determine the exact footprint for those uses. Therefore, the Mission Bay Proposed Functional Zones map (Zone Map) in the LRDP provisionally designated the East Campus area as "Future Research/Parking." The LRDP further specifies that "when the locations of specific uses on the parcel are identified, the functional zone for the East Campus will be updated accordingly."

In 2017, LRDP Amendment #2 revised the Zone Map to designate the Block 33 building area as within the "Research" functional zone, and left the remainder of the East Campus provisionally designated as "Future Research/Parking" uses until the specific footprints for further development are known.

The proposed project now identifies specific uses and locations on the Block 34 portion of the East Campus. The primary activities proposed for the Block 34 Clinical Building are appropriate for the "Clinical" functional zone. The "Clinical" designation includes offices, research activities, instruction space, and support uses as allowable secondary uses, which is consistent with the proposed activities for the Block 34 Clinical Building. The primary activities proposed for the Block 34 Parking Garage are appropriate for the "Parking" functional zone. The "Parking" designation includes support uses as allowable secondary uses, which is consistent with the proposed activities for the Block 34 Parking Garage.

With the specific footprints and uses of the Block 34 buildings known, LRDP Amendment #9 is proposed to revise the Zone Map to designate the Block 34 Clinical Building site as within the "Clinical" functional zone and the Block 34 Parking Garage site as within the "Parking" functional zone. The proposed revisions to the LRDP are shown in Attachment 11.

### **DESIGN ELEMENTS**

The design for the Clinical Building and the Parking Garage is intended to be a dynamic reflection of UCSF on the remaining parcel for the Mission Bay East Campus parcel. Major

building concepts and features of the building are described below.

- Enhance the pedestrian experience by including an additional three-foot setback along Third Street and the creation of shared park space (Paseo) between the proposed Clinical Building and the adjacent Valley Center for Vision.
- Incorporate non-neutral color tones on the building exteriors to avoid the appearance of a monolithic campus along Third Street.
- Incorporate landscape components that are consistent with those used in the North and South campuses as ways to integrate the three areas of the campus site. The proposed project would incorporate the same monument signage and some of the soft and hardscape landscaping elements from the North and South campuses.
- Accommodate on-site loading and unloading areas for services and an arrival area for visitors.
- Align the curb cuts along Illinois Street to minimize conflicts with vehicles entering and exiting adjacent blocks and buildings.
- Include a treatment on the Parking Garage façade to serve as a marker that reflects the presence of UCSF and the work that is being performed and is visually connected to UCSF's nearby garage on Third Street.
- Ensure that the Parking Garage is clearly identified as a parking structure to facilitate wayfinding.

The proposed Clinical Building design reflects the building's functions through three key massing elements that communicate the occupancy as follows:

Ground Floor: The ground floor would include public spaces, such as lobby waiting and reception, retail pharmacy, urgent care suite, clinical laboratory services, imaging suite, and a grab-and-go café alcove. Building support, loading dock, and an ambulance bay would also be located on the ground level.

The ground floor is designed to be visually open to allow park and street passersby to participate in the open lobby and circulation space, activating the building's presence in an inviting and engaging manner.

Second Floor: The second floor is dedicated to the Ambulatory Surgery Center, including the 14 ORs and prep- and post-operation care.

The mass of the second floor provides a strong base for the tower of clinical floors above. The natural materials provide visual strength and a sense of being "of the earth" and organic. The vertical slot windows are carefully controlled to allow light into the spaces while

restricting views into these sensitive areas.

Third, Fourth, and Fifth Floors: The clinical tower (floors three to five) are sized to house clinical modules that provide examination and treatment areas for the multispecialty clinical programs planned for the building. Floor five and part of floor four comprise the shelled space for future program growth and expansion (for which specialties are unassigned).

The smaller mass of these floors is intended to break the building into smaller events, thereby reducing the feel of one large building on this site and aligning with key masses of the neighboring buildings.

The Parking Garage is sited on the south end of the block to allow for a larger park area between the Clinical Building and the Valley Center for Vision. At the southernmost boundary of the Mission Bay campus site, this prominent location provides a gateway presence for people traveling north from the Dogpatch Neighborhood and east from Potrero Hill to the waterfront.

The Transportation Services office is located on the ground floor of the parking garage. Stair and elevator locations are designed to guide parking garage users to the ground level paths of travel both inside and outside of the Clinical Building.

### ***Site Features***

Vehicular arrival is integrated with the existing Valley Center for Vision driveway to create a single shared patient drop-off driveway. This driveway incorporates the Paseo, which provides safe and separate entrances for clinical functions as well as easy access to parking and shuttle buses. The required grade changes from the drop-off to the Clinical Building are integrated into the Paseo plaza, eliminating the need for ramp railings and the visual barriers they cause. The Clinical Building Paseo is connected to the existing Valley Center for Vision Paseo to create a larger and shared park space. Visitors will follow the sheltering canopy to the main entry on the Paseo. The positioning of the Clinical Building entry will welcome arrivals both from Illinois and Third Streets.

The UCSF shuttle bus stop is proposed and positioned on Illinois Street at the Paseo. Access to off-street, concealed delivery spaces are also proposed on Illinois Street, to the south of the Paseo.

### ***Sustainable Practices***

This project will comply with the University of California Sustainable Practices Policy. The Sustainable Practices Policy establishes goals in nine areas of sustainable practices: green building, clean energy, transportation, climate protection, sustainable operations, waste reduction and recycling, sustainable procurement, sustainable foodservice, and sustainable water systems. A full range of sustainability practices for building design and operations is included in the budgeting, programming, and design effort for the project. As required by this policy, the project will achieve a minimum Leadership in Energy and Environmental Design (LEED<sup>TM</sup>) Silver

rating (Version 4). The Clinical Building is currently tracking to achieve LEED™ Gold rating.

As parking garages are not eligible for LEED™ certification, UCSF applied the Parksmart criteria to the Parking Garage project early in design. While the design of the Parking Garage would likely qualify for certification under the Parksmart program, the campus does not plan to invest in the cost required for the certification itself.

In addition to LEED™, the project has implemented additional sustainable analyses to help inform building design decisions: Triple Bottom Line Analysis (TBL) and Embodied Carbon Analysis. TBL is an analysis that evaluates carbon and Green House Gas (GHG) emission of designed building systems and life cycle costs implications over the life of the project. This analysis informs the selection and design of building elements and systems to reduce carbon emissions and increase water conservation. The Embodied Carbon Analysis is an ongoing study integrated into the design development process, in which all building materials and the embodied carbon footprint are analyzed to reduce the projects' overall embodied carbon footprint.

The Clinical Building and the Parking Garage would be the first buildings on the Mission Bay campus site to have carbon-free, 100 percent clean power supplied by the SFPUC, which entails greenhouse gas-free hydropower from Hetch Hetchy Power. Both buildings would be all-electric, with no natural gas used.

The Clinical Building and Parking Garage will implement the following sustainable practices, as relevant for each building:

- Energy-efficient building systems
- Storm-water management design
- High-efficiency HVAC equipment
- All electric building (no natural gas usage)
- Low carbon building materials
- Low flow plumbing fixtures and showers for domestic water reductions
- Solar hot water heating
- Solid waste disposal reduction by the diversion of 75 percent of construction waste from landfills
- General bicycle parking
- Low-emitting materials

- Thermal comfort
- Solar ready
- Access to quality transit

### **FUNDING PLAN AND FINANCIAL FEASIBILITY**

The total project budget is \$335,843,000 for the Clinical Building and \$65.98 million for the Parking Garage. Both projects would be funded with external financing, as described below.

#### ***Clinical Building***

External financing from the Medical Center Pooled Revenue Bond 2020 Series N bonds (\$335,843,000) would fund the Clinical Building. The estimated debt services for the \$335,843,000 of Series N Bonds is \$14,988,415 per year, including principal and interest.

The FY2019-20 debt metrics for UCSF Health demonstrate the financial feasibility of the project through reducing the FY2019-20 operating revenue by ten percent, 15 percent, and 25 percent. As of June 30, 2020, UCSF Health has a 6.1 percent operating margin, 9.1x debt service coverage, and 119 days' cash on hand, which meet the requirements of the University's Debt Policy. These numbers exclude non-cash pension and retiree health benefits expenses, which are allowed by the Debt Policy.

Below are the results of the financial feasibility analysis for the proposed project using UCSF Health's Debt Policy metrics. Please note that these calculations do not consider: (a) operating expense reductions that UCSF Health would institute to mitigate the impact of the operating revenue decline, or (b) reductions in other expenditures to conserve cash. (See Attachments 6 and 7 for additional financial information.)

June 30, 2020	UCSF Health Metrics <sup>1</sup>			
	FY2019-20 Actual	10% Reduction in Operating Revenue	15% Reduction in Operating Revenue	25% Reduction in Operating Revenue
Total Operating Revenue	\$5,072,343	\$4,565,109	\$4,311,492	\$3,804,257
Operating Cash Flow	\$600,500	\$93,266	(\$160,351)	(\$667,586)
Operating Cash Flow Margin	11.8%	2.0%	-3.7%	-17.5%
Debt Service Coverage	9.1	1.0	(3.1)	(11.2)
Days Cash on Hand	119	80	61	22
<sup>1</sup> Excludes non-cash pension and retiree health benefits expenses as allowed by the debt policy. Certain stress test metrics do not meet the requirements of the University's Debt Policy and would require an exception for external financing.				

### ***Parking Garage***

External financing (\$65.98 million) would fund the Parking Garage. The estimated average annual debt service for the project, at a planning rate of 4.5 percent, is \$4,050,614, including principal and interest, over a 30-year term.

The FY2019-20 debt metrics for the UCSF campus (excluding UCSF Health) demonstrate the financial feasibility of the project by reducing the FY2019-20 operating revenue by ten percent, 15 percent, and 25 percent. Over the next ten years, the campus is projected to have a modified cash flow margin of 8.5 percent, debt service coverage of 1.6x, and days of cash on hand of 94 days, thus meeting the requirements of the University's Debt Policy.

Below are the results of the financial feasibility analysis for the UCSF General Campus (excluding UCSF Health). Please note that these calculations do not consider: (a) operating expense reductions that UCSF would institute to mitigate the impact of the operating revenue decline, or (b) reductions in other expenditures to conserve cash. (See Attachments 8 and 9 for additional financial information.)

	<b>San Francisco General Campus Metrics</b>			
	<b>FY2019-20 Metric</b>	<b>10% Reduction in Operating Revenue</b>	<b>15% Reduction in Operating Revenue</b>	<b>25% Reduction in Operating Revenue</b>
Operating Revenue	\$3,698,650,000	\$3,328,785,000	\$3,077,513,400	\$2,773,988,000
Operating Cash Flow Margin	11.3%	1.5%	-4.3%*	-18.2%*
Days Cash on Hand (December)	94	77	68	51
*Campus metrics do not meet the requirements of the University's Debt Policy in these scenarios and would require an exception for external financing.				

### **CEQA COMPLIANCE**

Pursuant to the California Environmental Quality Act (CEQA), Addendum No. 5 (Attachment 10) to the 2014 LRDP Environmental Impact Report (EIR) (SCH#2013092047) (Attachment 12) has been prepared for the Mission Bay East Campus Phase 2 Clinical Building and Parking Garage projects. None of the circumstances that would trigger subsequent or supplemental environmental review under Public Resources Code Section 21166 and CEQA Guidelines Sections 15162 or 15163 have occurred or are present. Findings have been prepared to support the University's determination that the proposed project would not require major revisions of the 2014 LRDP EIR (Attachment 13).



**KEY TO ACRONYMS**

ASC	Ambulatory Surgery Center
CEQA	California Environmental Quality Act
FEIR	Final Environmental Impact Report
GHG	Green House Gas
GSF	Gross-Square-Foot
IPD	Integrated Project Delivery
LEED™	Leadership in Energy and Environmental Design
LRDP	Long Range Development Plan
OR	Operating Room
PACU	Post-anesthesia Care Unit
SFPUC	San Francisco Public Utilities Commission
TBL	Triple Bottom Line Analysis
Valley Center for Vision	Wayne and Gladys Valley Center for Vision
Zone Map	Mission-Bay-Proposed Functional Zones map

**ATTACHMENTS**

Attachment 1:	Project Location Map
Attachment 2:	Project Sources and Uses – Clinical Building
Attachment 3:	Comparable Project Information – Clinical Building
Attachment 4:	Project Sources and Uses – Parking Garage
Attachment 5:	Comparable Project Information – Parking Garage
Attachment 6:	Summary of Financial Feasibility – Clinical Building
Attachment 7:	UCSF Health Ten-Year Financial Projection
Attachment 8:	Summary of Financial Feasibility – Parking Garage
Attachment 9:	UCSF (excluding Health) Ten-Year Financial Pro Forma
Attachment 10:	Addendum #5 to the 2014 LRDP EIR <a href="https://campusplanning.ucsf.edu/sites/campusplanning.ucsf.edu/files/reports/Final_Addendum_Black_34_2021-03-01.pdf">https://campusplanning.ucsf.edu/sites/campusplanning.ucsf.edu/files/reports/Final_Addendum_Black_34_2021-03-01.pdf</a>
Attachment 11:	Amendment #9 to the 2014 LRDP Existing 2014 LRDP: <a href="https://campusplanning.ucsf.edu/sites/campusplanning.ucsf.edu/files/reports/2014_LRDP_as_Amended.pdf">https://campusplanning.ucsf.edu/sites/campusplanning.ucsf.edu/files/reports/2014_LRDP_as_Amended.pdf</a>
Attachment 12:	UC San Francisco 2014 LRDP EIR <a href="https://campusplanning.ucsf.edu/sites/campusplanning.ucsf.edu/files/reports/UCSF%202014%20LRDP%20Final%20EIR.pdf">https://campusplanning.ucsf.edu/sites/campusplanning.ucsf.edu/files/reports/UCSF%202014%20LRDP%20Final%20EIR.pdf</a>
Attachment 13:	CEQA Findings
Attachment 14:	Design Graphics

PROJECT LOCATION MAP



**PROJECT SOURCES AND USES  
CLINICAL BUILDING**

<b>SOURCES</b>	<b>Total</b>	<b>% of Total</b>
External Financing	\$335,843,000	100.0
<b>Total Sources</b>	<b>\$335,834,000</b>	<b>100.0</b>
<b>USES</b>	<b>Total</b>	<b>% of Total</b>
Site Clearance	\$498,000	0.2
Building	\$218,360,000	73.9
Exterior Utilities	\$1,738,000	0.6
Site Development	\$2,371,000	0.8
A/E Fees <sup>1</sup>	\$32,155,000	10.9
Campus Administration <sup>2</sup>	\$6,419,000	2.2
Surveys, Tests, Plans <sup>3</sup>	\$2,324,000	0.8
Special Items <sup>4</sup>	\$15,808,000	5.4
Contingency	\$15,400,000	5.2
<b>Total P-W-C<sup>5</sup></b>	<b>\$295,073,000</b>	<b>100.0</b>
Group 2 & 3 Equipment <sup>6</sup>	\$40,770,000	
<b>Project Total Uses</b>	<b>\$335,843,000</b>	
Interest During Construction	-	
<b>Grand Total</b>	<b>\$335,843,000</b>	
<b>PROJECT STATISTICS</b>		
Gross-Square-Feet (GSF) <sup>7</sup>	182,800	
Assignable-Square-Feet (ASF) <sup>8</sup>	97,000	
Efficiency	53%	
Building Cost per GSF	\$1,195	
P-W-C Cost per GSF	\$1,614	

(See next page for cost drivers.)

<sup>1</sup> A/E Fees include the executive architect / engineer's basic services contract fee.

<sup>2</sup> Campus Administration includes: project management, contract administration, and inspection.

<sup>3</sup> Surveys, Tests, Plans include testing and special inspections.

<sup>4</sup> Special Items include pre-design studies, hazardous materials survey and testing specialty consultants, plan check, and agency review.

<sup>5</sup> Total cost for preliminary plans (P), working drawings (W), and construction (C).

<sup>6</sup> Groups 2 & 3 Equipment includes outfit of all 14 OR rooms planned for the projects (including the six that would be put in service in the future) and six of 12 clinic modules; equipping the remaining six clinic modules would be included the future project for building out the shelled space.

<sup>7</sup> Project includes approximately 40,000 GSF of warm shell space.

<sup>8</sup> The proposed shelled space could ultimately add approximately 35,000 ASF of specialty clinic space.

## **Clinical Building Cost Drivers**

Several unique factors have contributed to the cost of the Clinical Building, including:

### ***Scope Differences***

- Poor soil characteristics: The soil's liquefiable nature necessitated a ground improvement system utilizing deep soil mixing, in addition to the deep foundation piles required for the building itself. The site also contains hazardous (Class 1) soil, requiring an involved removal and disposal process.
- Site Improvements at Paseo: A landscaped park space (paseo) at the north ties into the Valley Center for Vision's south hardscape to create a pleasant outdoor amenity for patients, visitors, and staff.

### ***Code Requirements***

- Fire Separation: Due to site constraints, the Parking Garage abuts the Clinical Building with no physical separation, necessitating the need for a code-required firewall for five levels between the two buildings.
- Seismic Criteria Code Updates: Changes in the seismic code criteria have increased the structural requirements to higher standards than previously constructed benchmark projects.

### ***Constrained Site***

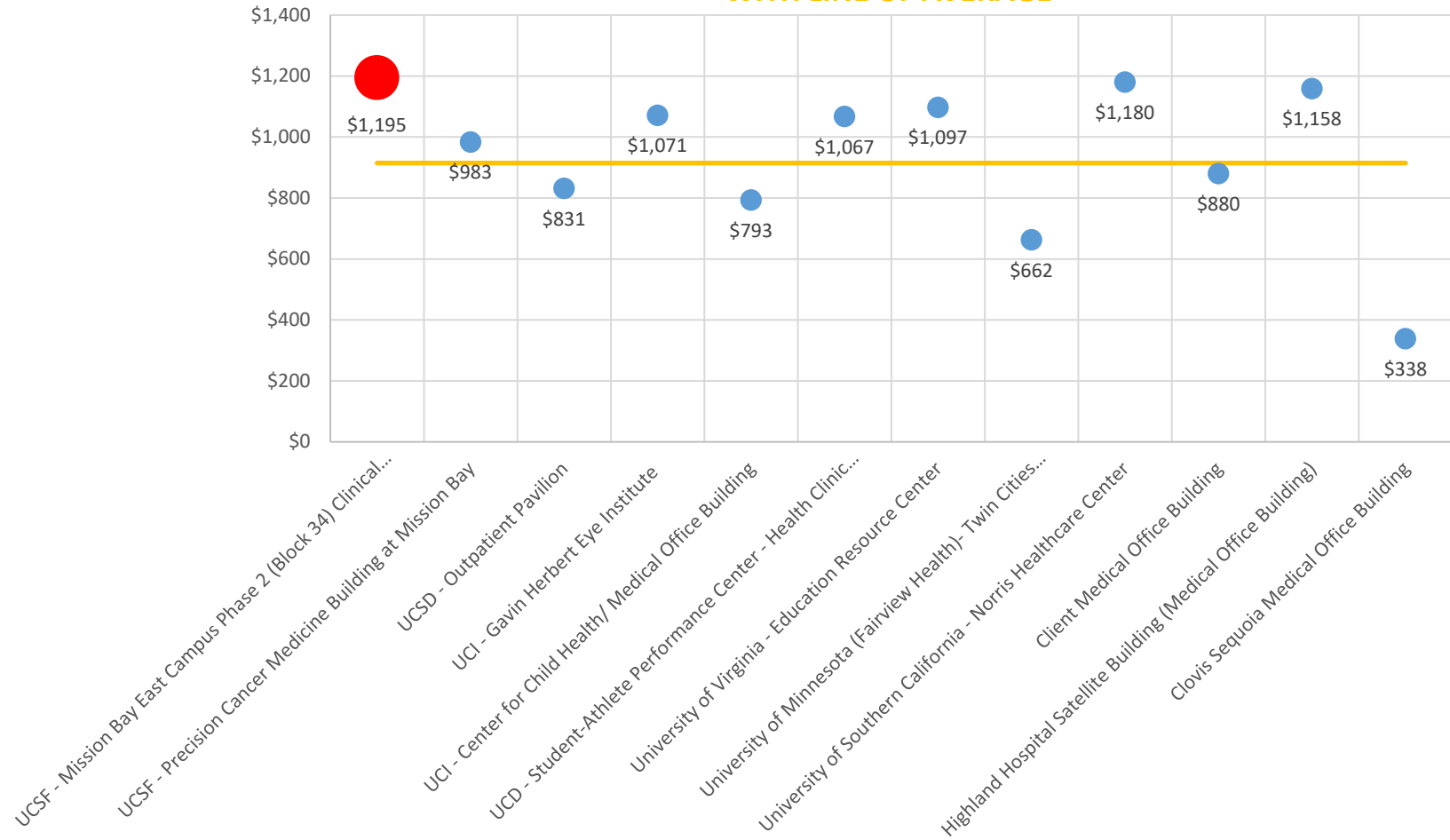
- No Construction Laydown: The site is constrained and does not provide space for construction staging or laydown area.
- Parking Costs: Parking would be leased off-site for contractors. Also, the project budget includes costs for the temporary loss of patient parking revenue and costs of valet services for the Center for Vision patients due to the demolition of existing surface parking lot for construction of the Parking Garage and the Clinical Building.

## ATTACHMENT 3

## COMPARABLE PROJECT INFORMATION – CLINICAL BUILDING

[illegible]

## CLINICAL BUILDING - ADJUSTED BUILDING CONSTRUCTION COST PER GSF WITH LINE OF AVERAGE



**PROJECT SOURCES AND USES  
PARKING GARAGE**

<b>SOURCES</b>	<b>Total</b>	<b>% of Total</b>
External Financing	\$65,980,000	100.0
<b>Total Sources</b>	<b>\$65,980,000</b>	<b>100.0</b>
<b>USES</b>	<b>Total</b>	<b>% of Total</b>
Site Clearance	\$187,000	0.3
Building	\$45,558,000	76.4
Exterior Utilities	\$827,000	1.4
Site Development	\$933,000	1.6
A/E Fees <sup>1</sup>	\$4,294,000	7.2
Campus Administration <sup>2</sup>	\$600,000	1.0
Surveys, Tests, Plans <sup>3</sup>	\$623,000	1.0
Special Items <sup>4</sup>	\$3,728,000	6.3
Contingency	\$2,880,000	4.8
<b>Total P-W-C<sup>5</sup></b>	<b>\$59,630,000</b>	<b>100.0</b>
Group 2 & 3 Equipment	350,000	
<b>Project Total Uses</b>	<b>\$59,980,000</b>	
Interest During Construction	\$6,000,000	
<b>Grand Total</b>	<b>\$65,980,000</b>	
<b>PROJECT STATISTICS</b>		
Number of Parking Spaces	500	
Gross-Square-Feet (GSF) <sup>6</sup>	183,400	
Assignable-Square-Feet (ASF) <sup>6</sup>	3,056	
Efficiency	n/a	
Building Cost per GSF	\$248	
P-W-C Cost per GSF	\$325	
Building Cost per Space	\$91,116	
P-W-C Cost per Space	\$119,260	

(See next page for cost drivers)

<sup>1</sup> A/E Fees include the executive architect / engineer's basic services contract fee.

<sup>2</sup> Campus Administration includes project management, contract administration, and inspection.

<sup>3</sup> Surveys, Tests, Plans include testing and special inspections

<sup>4</sup> Special Items include pre-design studies, hazardous materials survey and testing specialty consultants, plan check, and agency review.

<sup>5</sup> Total cost for preliminary plans (P), working drawings (W), and construction (C).

<sup>6</sup> Approximately 4,100 GSF (3,056 ASF) is comprised of office and administrative space for UCSF Transportation Services and Building Support.

## **Parking Garage Cost Drivers**

Several unique factors have contributed to the cost of the Parking Garage, including:

### ***Scope Differences***

- Poor soil characteristics: The soil's liquefiable nature necessitated a ground improvement system utilizing deep soil mixing, in addition to the deep foundation piles required for the building itself. The site also contains hazardous (Class 1) soil, requiring an involved removal and disposal process.
- Transportation Services Space: A 4,100-gross-square-foot office suite and space for building infrastructure support is included in the Parking Garage. The office space is necessary to facilitate the insourcing of UCSF's parking valet operations and supporting on-site parking and transportation operations at the Mission Bay campus site.

### ***Code Requirements***

- Fire Separation: Due to site constraints, the Parking Garage abuts the Clinical Building with no physical separation, necessitating the need for a code-required firewall for five levels between the two buildings.
- Seismic Criteria Code Updates: Changes in the seismic code criteria have increased the structural requirements to higher standards than previously constructed benchmark projects.

### ***San Francisco Planning Jurisdiction***

- Facade Upgrade: The local planning agency (Office of Community Investment and Infrastructure) has emphasized the aesthetic importance of the Parking Garage's prominent corner location at Third Street and Mariposa Street, and has referenced the site as the southern "Gateway" to Mission Bay. As a result, the Parking Garage has a premium exterior design cladding on all four facades and enhanced lighting and landscaping.

### ***Constrained Site***

- No Construction Laydown: The site is constrained and does not provide space for construction staging or laydown area.
- Parking Costs: Parking would be leased off-site for contractors. Also, the project budget includes costs for the temporary loss of patient parking revenue and costs of valet services for the Center for Vision patients due to the demolition of existing surface parking lot for construction of the Parking Garage and the Clinical Building.



## COMPARABLE PROJECT INFORMATION – PARKING GARAGE

#	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		\$126			\$157	\$42,116	\$52,126
1	UCSF - Mission Bay East Campus Phase 2 Parking Garage	San Francisco	183,400	2021	500	\$45,558,000		\$248	\$65,980,000		\$360	\$91,116	\$131,960
2	UCSF - Med Center at Mission Bay Phase 1 Parking Structure	San Francisco	223,300	2011	621	\$16,813,000	\$29,304,000	\$131	\$22,877,000	\$39,873,000	\$179	\$47,188	\$64,208
3	UCSF - Mt. Zion Parking Garage	San Francisco	89,000	2012	228	\$8,258,472	\$14,263,000	\$160	\$16,750,000	\$28,928,000	\$325	\$62,557	\$126,877
4	UCSD - Grad and Professional Student Housing ("Mesa Nueva") - East Campus Parking	San Diego	284,000	2016	900	\$16,657,000	\$25,395,000	\$89	\$20,746,000	\$31,628,000	\$111	\$28,217	\$35,142
5	UCD - Parking Structure III	Davis	420,910	2011	1,215	\$33,861,000	\$66,755,000	\$159	\$46,515,000	\$91,701,000	\$218	\$54,942	\$75,474
6	UCR - Parking Structure 1	Riverside	350,728	2020	1,079	\$20,357,000	\$24,328,000	\$69	\$31,844,000	\$38,055,000	\$109	\$22,547	\$35,269
7	UCSD - East Campus Parking Structure 2	San Diego	438,292	2015	1,249	\$20,469,000	\$36,545,000	\$83	\$25,645,000	\$45,786,000	\$104	\$29,259	\$36,658
8	UCSD - East Campus Parking Structure 1	San Diego	470,200	2011	1,245	\$20,667,000	\$43,016,000	\$91	\$26,105,000	\$54,334,000	\$116	\$34,551	\$43,642
9	UCR - Glen Mor 2 Student Apts Parking	Riverside	101,725	2012	596	\$11,228,000	\$22,795,000	\$224	\$15,148,000	\$30,753,000	\$302	\$38,247	\$51,599
10	UCSD - Nuevo West Grad Student Housing parking	San Diego	420,000	2018	1,200	\$30,279,000	\$41,125,000	\$98	\$39,667,000	\$53,875,000	\$128	\$34,271	\$44,896
11	UCI - East campus apartments phase IV-A Parking	Irvine	188,825	2019	530	\$13,867,000	\$17,980,000	\$95	\$23,601,000	\$30,601,000	\$162	\$33,925	\$57,738
12	UCSD - Osler Parking Structure	San Diego	418,725	2018	1,305	\$28,215,000	\$39,164,000	\$94	\$46,799,000	\$64,959,000	\$155	\$30,011	\$49,777
13	UCI - Center for Child Health/ Medical Office Building Parking	Irvine	280,000	2021	800	\$31,586,000	\$36,857,000	\$132	\$54,599,000	\$63,710,000	\$228	\$46,071	\$79,638
14	UCI - Verano 8 Graduate Student Housing Parking Structure	Irvine	315,392	2021	853	\$24,777,000	\$29,047,000	\$92	\$33,454,000	\$39,220,000	\$124	\$34,053	\$45,979
15	UCSD Athena	San Diego	466,000	2015	1,273	\$19,815,000	\$35,989,000	\$77	\$29,400,000	\$53,398,000	\$115	\$28,271	\$41,947
16	Stanford University - Parking Structure 7 ("PS#7")	Stanford	343,640	2009	900	\$25,776,436	\$51,009,000	\$148	\$28,020,406	\$55,449,000	\$161	\$56,677	\$61,610
17	University of Texas, San Antonio - Bauerle Road Garage	San Antonio	438,326	2012	1,200	\$31,901,366	\$82,508,000	\$188	\$0	\$0	\$0	\$68,757	\$0
18	University of Alabama - Tutwiler Parking Deck	Tuscaloosa	528,700	2018	1,450	\$23,000,000	\$41,266,000	\$78	\$25,990,000	\$46,630,000	\$88	\$28,459	\$32,159
19	Auburn University- South College Street Parking Deck	Montgomery	218,408	2019	600	\$14,837,964	\$24,726,000	\$113	\$15,900,000	\$26,496,000	\$121	\$41,210	\$44,160

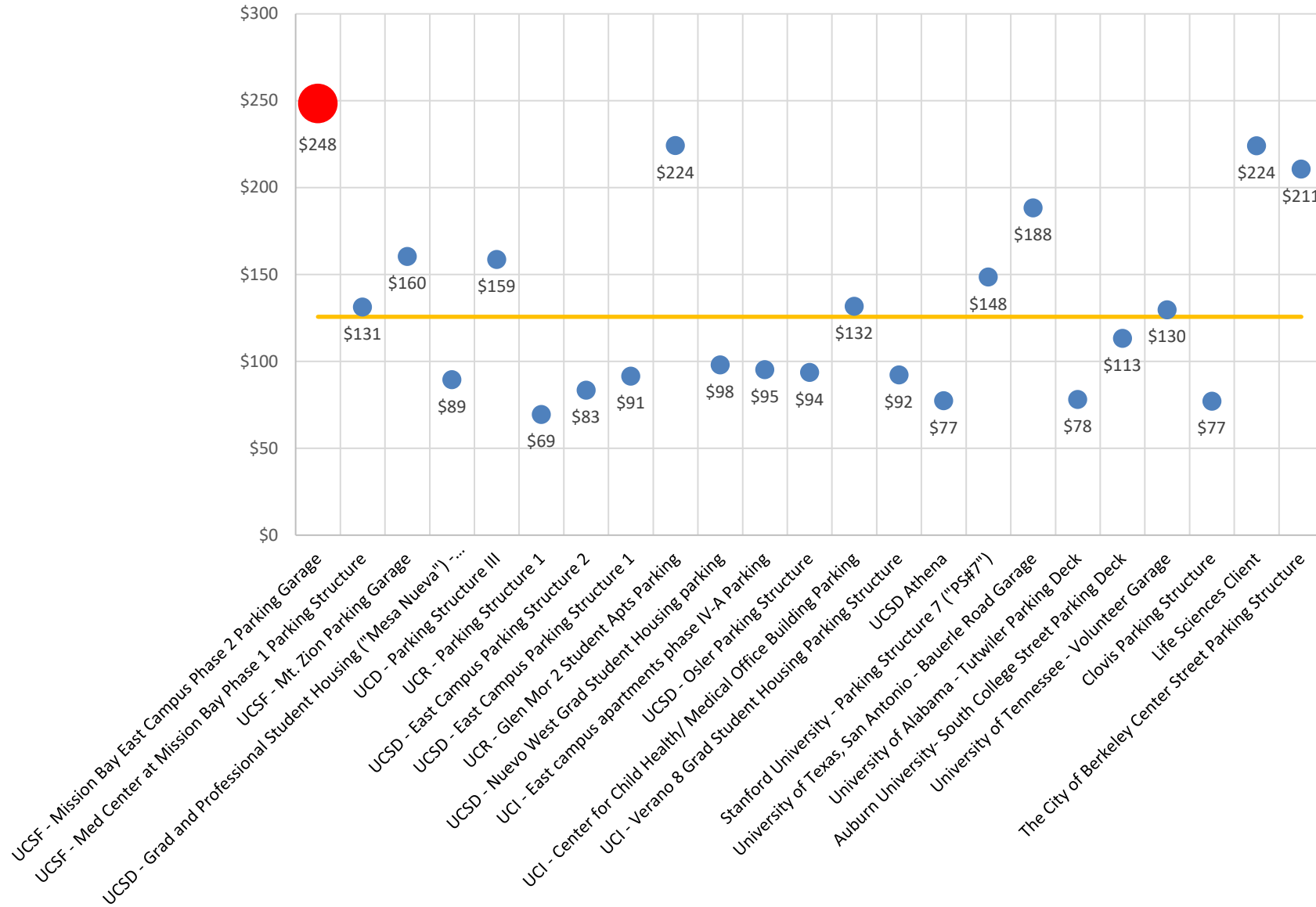
#	Project Name	City/ Campus	GSF	Md. Pt. Const Yr	Spaces	Building Construction Cost*	Adj. Building Cost**	Adj. Building Cost / GSF**	Total Project Cost*	Adj. Total Project Cost**	Adj. Total Project Cost/ GSF**	Adj. Building Cost / Space*	Adj. Total Project Cost/ Space*
20	University of Tennessee - Volunteer Garage	Knoxville	394,800	2016	1,700	\$23,823,840	\$51,154,000	<b>\$130</b>	\$28,000,000	\$60,121,000	\$152	\$30,091	\$35,365
21	Clovis Parking Structure	Fresno	224,000	2019	660	\$14,045,000	\$17,245,000	<b>\$77</b>	\$15,186,015	\$18,646,000	\$83	\$26,129	\$28,252
22	Life Sciences Client	Foster City	180,014	2018	519	\$32,100,000	\$40,318,000	<b>\$224</b>	\$0	\$0	\$0	\$77,684	\$0
23	The City of Berkeley Center Street Parking Structure	Berkeley	248,000	2017	711	\$40,000,000	\$52,218,000	<b>\$211</b>	\$0	\$0	\$0	\$73,443	\$0

\* For University of California projects "building construction cost" is line 1 of the CIB form; "total project cost" is the Grand Total Project cost on the CIB or budget and includes total P-W-C (including interest during construction) and Group 2 & 3 equipment.

\*\* 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)

NOTE – All comparable projects were complete within 10 years or less

## PARKING GARAGE - ADJUSTED BUILDING CONSTRUCTION COST PER GSF WITH LINE OF AVERAGE



## ATTACHMENT 6

### SUMMARY OF FEASIBILITY – CLINICAL BUILDING

SAN FRANCISCO CAMPUS	
Project Name	Mission Bay East Campus Phase 2 Clinical Building
Project ID	9956010
Total Estimated Project Costs	\$335,843,000
Anticipated Interest During Construction	N/A

PROPOSED SOURCES OF FUNDING	
External Financing – MCPRB2020 Series N	\$335,843,000
<b>Total</b>	<b>\$335,843,000</b>

*Fund sources for external financing shall adhere to University policy on repayment for capital projects.*

#### Externally Financed Projects

FINANCING ASSUMPTIONS	
External Financing Amount	\$335,843,000
Anticipated Repayment Source	Revenues of UCSF Health
Anticipated Fund Source	Medical Center Revenues
Financial Feasibility Rate	3.006% (30 years) / 3.256% (40 years) / 3.706% (100 years)
First Year of Repayment (e.g. FY 20XX)	2050
Term (e.g. 30 years; indicate if any years interest only)	30 / 40 / 100 years
Final Maturity (e.g. FY 20XX)	2120
Estimated Average Annual Debt Service	\$14,988,415

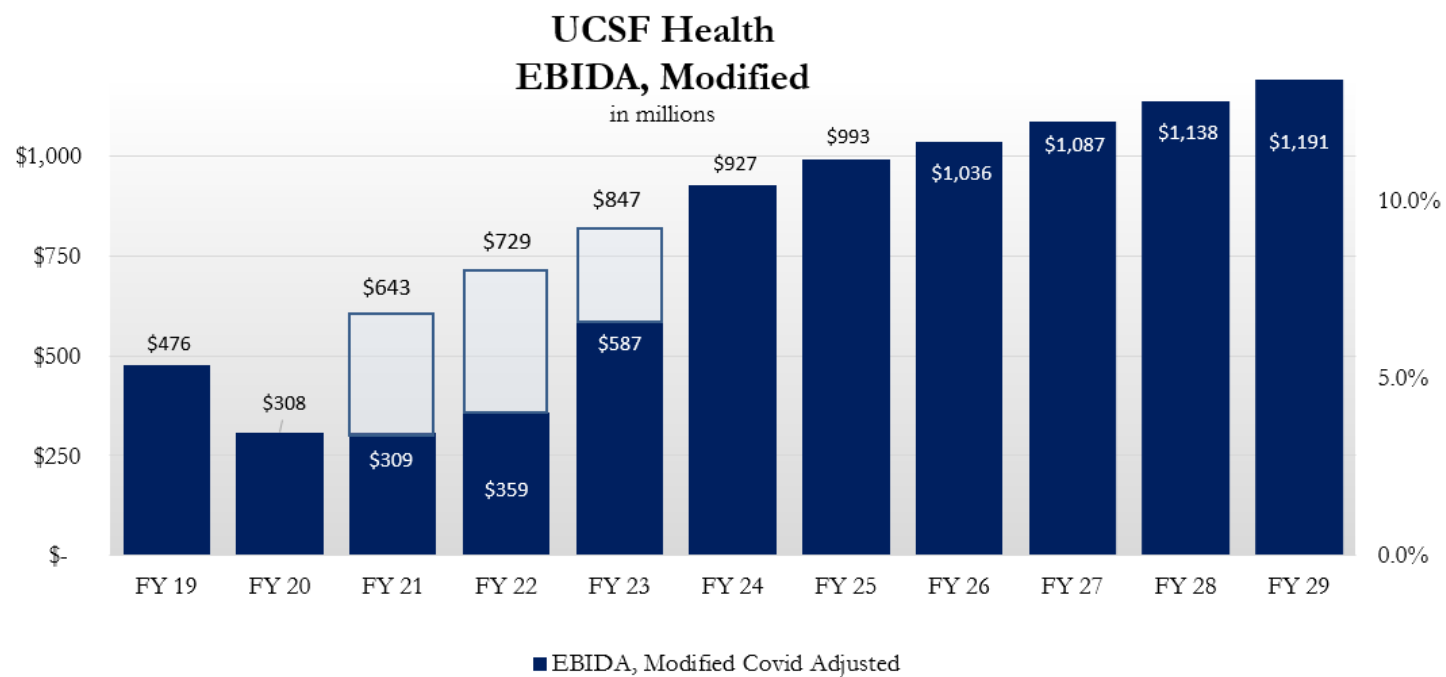
## ATTACHMENT 7

### UCSF HEALTH TEN-YEAR FINANCIAL PROJECTION

- The UCSF Health financial forecast is updated annually and includes comprehensive estimates of the planned capital spending throughout the ten-year period. The financials below include capital spend consistent with the Capital Financial Plan, including spend on the New Hospital at Parnassus Heights.
- The financial projections include debt service for the Medical Center Pooled Revenue 2020 Series N Bonds, which are the source of funding for the Clinical Building.
- The financial projections result in sufficient Days' Cash on Hand and Debt Service Coverage throughout the planning period.

UCSF Health 2021 Fall TYP												
	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31
	Actuals	Budget	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP	10YP
[in Thousand USD]	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
<b>FINANCIALS</b>												
<b>Revenues</b>												
Net Patient Revenues	4,747,625	5,516,889	5,951,454	6,404,144	6,810,198	7,235,625	7,590,784	7,973,867	8,374,158	8,806,854	9,256,392	9,738,941
Other Revenues	324,719	305,855	314,681	332,258	351,455	376,021	399,214	420,985	439,526	450,628	460,778	470,752
Total Operating Revenues	5,072,343	5,822,744	6,266,135	6,736,402	7,161,653	7,611,646	7,989,998	8,394,852	8,813,683	9,257,482	9,717,171	10,209,693
Total Operating Expenses, Modified	4,764,749	5,179,219	5,537,046	5,889,353	6,235,087	6,618,157	6,953,871	7,308,282	7,675,896	8,066,037	8,468,648	8,903,590
EBIDA, Modified	307,594	643,524	729,089	847,049	926,566	993,489	1,036,126	1,086,570	1,137,787	1,191,445	1,248,522	1,306,103
Modified EBIDA Margin %	6.1%	11.1%	11.6%	12.6%	12.9%	13.1%	13.0%	12.9%	12.9%	12.9%	12.8%	12.8%
Non-Cash Pension Expense [GASB 68]	392,418	322,180	322,180	322,180	322,180	322,180	322,180	322,180	322,180	322,180	322,180	322,180
Non-Cash OPEB Expense [GASB 75]	199,684	202,872	202,872	202,872	202,872	202,872	202,872	202,872	202,872	202,872	202,872	202,872
EBIDA	(284,508)	118,472	204,037	321,997	401,514	468,437	511,074	561,518	612,735	666,393	723,470	781,051
EBIDA Margin %	-5.6%	2.0%	3.3%	4.8%	5.6%	6.2%	6.4%	6.7%	7.0%	7.2%	7.4%	7.7%
Interest	59,001	65,687	69,265	84,316	83,306	166,221	165,088	163,810	162,474	161,080	159,630	158,160
Depreciation	202,721	199,889	209,893	217,766	232,861	237,511	244,508	244,604	244,857	292,840	352,393	365,599
Cares Funding	144,542											
Non Operating Income/(Expense)	115,402	76,693	62,907	68,236	74,927	81,695	87,886	91,914	95,978	102,605	110,238	118,737
Comprehensive Net Income (Loss) <sup>1</sup>	(286,286)	(70,412)	(12,214)	88,151	160,274	146,400	189,364	245,017	301,382	315,077	321,685	376,029
Comprehensive Net Income (Loss) %	-5.6%	-1.2%	-0.2%	1.3%	2.2%	1.9%	2.4%	2.9%	3.4%	3.4%	3.3%	3.7%
Days Cash on Hand (Excludes non-cash Pension)	118.44	105.15	114.13	129.48	151.30	170.65	190.09	185.70	203.95	151.20	185.75	215.58
Debt Service Coverage (Excludes non-cash Pension)	9.1	8.4	8.8	8.7	9.5	5.7	6.0	6.3	6.6	6.9	7.3	7.7

<sup>1</sup> FY 22-FY31 non-cash Pension and OPEB estimates are based on FY 21 projections



**SUMMARY OF FINANCIAL FEASIBILITY – PARKING GARAGE**

<b>SAN FRANCISCO CAMPUS</b>	
Project Name	<b>Mission Bay East Campus Phase 2 Parking Garage</b>
Project ID	<b>9003310</b>
Total Estimated Project Costs	<b>\$65,980,000</b>
Anticipated Interest During Construction	<b>\$6,000,000</b>

<b>PROPOSED SOURCES OF FUNDING</b>	
External Financing	\$65,980,000
Total	<b>\$65,980,000</b>

*Fund sources for external financing shall adhere to University policy on repayment for capital projects.*

**Externally Financed Projects**

Long-term external financing assumptions are listed below.

<b>FINANCING ASSUMPTIONS</b>	
Anticipated Repayment Source	Auxiliary Revenues of the San Francisco Campus
Anticipated Fund Source	Parking Revenues
Financial Feasibility Rate	4.5%
First Year of Principal	2024
Final Maturity (e.g. 20XX)	2053
Term (e.g. 30 years)	30 Years
Estimated Average Annual Debt Service	\$4,050,614

Below are the results of the financial feasibility analysis for the proposed project using the campus's Debt Affordability Model. The model includes projections of the campus's operations and planned financings. A new Debt Affordability Model with revised metrics was implemented on August 1, 2015.

<b>Measure</b>	<b>10 Year Projections</b>	<b>Approval Threshold</b>	<b>Requirement</b>
Modified Cash Flow Margin <sup>1</sup>	8.5%, FY 2030	≥ 0.0%	Must Meet
Debt Service Coverage <sup>1</sup>	1.6x, FY 2030	≥ 1.1x	
Days Cash on Hand <sup>2</sup>	94, Dec. 2020	≥ 60 days	
Auxiliary Project Debt Service Coverage <sup>3</sup>	0.69x FY 2024 (Yr 2)	≥ 1.0x	Must Meet for Auxiliary Projects <sup>4</sup>
Parking System Debt Service Coverage	1.34x FY 2024 (Yr 2)	≥ 1.1x	

<sup>1</sup> Modified Cash Flow Margin, Debt Service Coverage, and Days Cash on Hand are campus metrics.

<sup>2</sup> Days' Cash on Hand are not projected. The ratio provided here is a snapshot of the most recent month available.

<sup>3</sup> Auxiliary Project Debt Service Coverage is an individual project metric.

<sup>4</sup> Project meets 1.1x coverage in Year 14. UCSF has been granted an exception to the UC Debt Policy from the Office of the Chief Financial Officer, as the campus has demonstrated the ability to service the debt from all UCSF Parking System revenues and to meet the requirements over time.]

ATTACHMENT 9

UCSF (EXCLUDING HEALTH)  
TEN-YEAR PROJECTED FINANCIAL PRO FORMA

		10-Year Projections (\$'000's)										
		Actual	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	
		0	1	2	3	4	5	6	7	8	9	10
Fiscal Year		2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	Total Operating Revenues	2,842,352	2,870,050	3,024,115	3,183,515	3,343,767	3,514,461	3,675,468	3,839,157	4,009,441	4,194,163	4,377,286
A	NonOperating Revenues (Expenses)	8,022	8,183	8,348	8,516	8,687	8,862	9,040	9,222	9,407	9,596	9,789
	Other Revenues	848,276	825,410	857,507	870,393	883,800	896,553	917,286	932,434	948,796	975,840	994,429
	Total Revenues	3,698,650	3,703,644	3,889,971	4,062,424	4,236,254	4,419,876	4,601,794	4,780,813	4,967,644	5,179,599	5,381,504
B	Total Operating Expenses	3,426,480	3,504,833	3,645,579	3,831,579	4,002,160	4,194,188	4,384,620	4,562,052	4,752,821	4,951,435	5,148,784
C	Net Income (A-B)	272,170	198,811	244,392	230,845	234,094	225,688	217,174	218,761	214,823	228,164	232,720
D	Depreciation Expense	146,503	167,438	184,860	194,688	197,432	209,470	221,901	221,136	223,883	225,827	223,375
E	Gross DS (less State Appropriations)	123,364	162,989	169,131	190,026	195,689	262,087	211,461	271,419	212,040	211,725	282,660
Net Cash Flow (C + D - E)		295,309	203,260	260,121	235,507	235,837	173,071	227,614	168,478	226,666	242,266	173,435



**AMENDMENT #9 TO THE 2014 LRDP**

Section 5.4 Mission Bay Plan Elements of the LRDP is amended as follows:

1. The second to last paragraph on page 79 is revised as follows:

The East Campus is ~~proposed to be~~ functionally zoned for research, **clinical**, and parking use, ~~as shown as a striped pattern on Figure 15 because the exact footprints for those uses have not yet been determined. When the locations of specific uses on the parcel are identified, the functional zones for the East Campus will be updated accordingly.~~

2. The last bulleted paragraph on page 81 is revised as follows:

**Expand the Mission Bay campus site to include Blocks 33 and 34 (East Campus).** UCSF has acquired Mission Bay Blocks 33 and 34, known as the East Campus. This area is projected to accommodate up to 550,000 gsf<sup>6</sup> and 500 parking spaces, and is functionally zoned for research, **clinical**, and parking use. ~~(The East Campus functional zone is shown in a striped pattern on Figure 15 because the exact footprints for those uses have not yet been determined. When the locations of specific uses on the parcel are identified, the functional zone for the East Campus will be updated accordingly.)~~

<sup>6</sup> Refer to footnote 2 on page 74 of LRDP.

3. Figure 15, Mission Bay Proposed Functional Zones, is replaced by the figure shown on the next page.

Conforming changes will be made to the LRDP to reflect this LRDP Amendment.

