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Office of the President

TO THE MEMBERS OF THE FINANCE AND CAPITAL STRATEGIES COMMITTEE:

ACTION ITEM – CONSENT

For the Meeting of November 15, 2017

APPROVAL OF PRELIMINARY PLANS FUNDING, KRESGE COLLEGE ACADEMIC, SANTA CRUZ CAMPUS

EXECUTIVE SUMMARY

The Santa Cruz campus proposes the *Kresge College Academic* project to construct a new, 25,000-assignable-square-foot (asf) academic building with a large lecture hall to provide approximately 600 seats, with related classroom and academic department space to help address the Santa Cruz campus's need for academic facilities. The proposed project is part of the overall Kresge College project¹ which would renovate the college to meet contemporary student needs while adding new buildings for student housing and academic space. While the project proposed in this item addresses academic needs, a separate project being presented at this meeting would provide new housing building(s) with approximately 400 freshmen beds. That project would also renovate existing buildings to provide approximately 150 beds for continuing students, improve the student services capacity, construct a new multi-purpose "town hall", and provide major infrastructure improvements.

Scope for the *Kresge College Academic* project will include: site improvements, construction, utilities, furnishings, and equipment and is proposed to be funded through campus funds and external financing supported by State General Funds. The Regents are being asked to approve preliminary plans funding in the amount of \$3 million to be funded by campus funds. The funding will support scope refinement, preliminary schematic design, design development, and project cost estimating.

The proposed project is part of the 2018-19 Budget for State Capital Improvements that is being presented to the Regents for acceptance at this meeting and was submitted to the Legislature and Department of Finance on August 28, 2017. A separate student services and housing project, *Kresge College Non-Academic*, is expected to be funded by campus housing reserves, parking reserves, external financing, campus funding, and student fee reserves. The academic and non-academic projects will request appropriate separate approvals; however, the renovation and new construction work will be bid and executed under the same contract in order to contain costs, minimize disruption to ongoing campus operations, and accelerate project completion.

¹ For purposes of CEQA, the entire Kresge College Project, which also includes non-academic components (proposed separately), will be evaluated as one project.

RECOMMENDATION

The President of the University recommends that the Finance and Capital Strategies Committee recommend to the Regents that the 2017-18 Budget for Capital Improvements be amended to include the following project:

Santa Cruz: Kresge College Academic – preliminary plans – \$3 million to be funded from campus funds.

BACKGROUND

At the September 2017 Regents' meeting, a discussion item (*Kresge College Project, Santa Cruz Campus*) provided an overview of Kresge College within the context of housing and academic space challenges facing the Santa Cruz campus. In addition to these issues, the campus has significant deferred maintenance and capital renewal needs. The Kresge College project is an opportunity for the campus to help address some of these challenges within one expansion and renewal project. The prior discussion provided the Regents with context for *Kresge College Academic* and the *Kresge College Non-Academic* projects that the campus will request approvals for in 2017 and 2018. A related action, *Approval of the Preliminary Plans Budget, Kresge College Non-Academic, Santa Cruz Campus*, appears separately on this committee's November 2017 agenda.

Project Drivers

The following are the primary project drivers:

- Enrollment growth has strained access to the limited academic space that is already highly utilized resulting in obstacles to student success.
- Existing space at Kresge College is not ideal for delivery of academic instruction and student support services resulting in lack of collaboration among academic programs and inefficient space use.

The project addresses these drivers by:

- Providing new academic space to address the campus's enrollment increases experienced over the last three years;
- Providing a new general assignment lecture hall to address current unmet demand and provide curricular efficiencies;
- Creating better connection to the core academic buildings of the campus by clustering academic functions at the north end of the Kresge College site, thereby increasing the flexibility for class scheduling, and reducing time for students to travel in between class times;
- Encouraging interdisciplinary collaboration and efficient space use by consolidating academic programs.

Project Need

The last new general assignment lecture hall built on the Santa Cruz campus opened in 2006. Since then, enrollment has increased by 17 percent², and only two other academic facilities have been constructed on campus: the Digital Arts Research Center (2009) and the Biomedical Sciences Building (2012). The Coastal Biology Building is currently under construction at the Coastal Science Campus. These facilities alleviate some of the need for research and office space, but do not address campus-wide need for additional academic space, nor do they address the critical need for large lecture space. The greatest academic need is in providing additional general assignment classroom capacity.

As enrollment has grown on the campus, so has the utilization of larger classrooms. There are just two lecture halls on the campus with over 300 seats. Lecture halls with over 300 seats have the highest utilization of all the general assignment classrooms, with a combined utilization of 141.9 percent³ in fall 2016.

Table 1: Campus-wide Classroom Utilization – Fall 2016

Station Count	Total Number Rooms	Utilization % of Standard
1 - 15	2	22.1%
16 - 25	28	79.7%
26 - 50	31	99.7%
51 - 100	12	72.9%
101 - 200	7	106.1%
201 - 300	4	121.9%
301+	2	141.9%
Total Campus	86	104.3%

PROJECT DESCRIPTION

The project would relocate all academic programs located at Kresge College to the north end of the site in a new, 25,000-assignable-square-foot (asf) building, as well provide associated infrastructure work necessary for accessibility. The north end of the site is located near the campus core and transit stops, which creates logical, more visible connections to the proposed lecture hall, general assignment facilities, and academic departments from many parts of the campus.

The following is a description of the proposed programmed space by division:

² Increase between fall 2007-08 and fall 2016-17.

³ A classroom seat is considered 100 percent occupied at the level of 35 hours per week.

Arts Division – 5,200 asf

The Arts Division currently holds the largest amount of academic space at Kresge College. Several departments are located in various buildings across the college. The division would retain its existing programs in the new academic building and would include academic offices, graduate student and faculty research spaces, studio spaces, and related support spaces. Bringing these departments together with other academic departments in one location would increase interdisciplinary collaboration.

Kresge College Academic Administration – 2,800 asf

Kresge College Academic Administration has eight faculty/lecturer/TA academic offices, related support space, a large conference room and support space for academic and administrative meetings, colloquia, and guest speakers, and office and office support space for the Provost, and academic advisors. They would retain these program spaces, and share their conference space with other academic departments when not in use.

Physical and Biological Sciences - 1,300 asf

The Science Communication Program has approximately 1,500 asf at Kresge College. They would retain this approximate square footage in the new facility for academic/lecturer offices, a computing laboratory, a scholarly activity room for discussion and study, offices for the Director and Program Manager, and related office support space.

Humanities Division - 700 asf

The Writing Program has approximately 700 asf of academic office space at Kresge College, and would retain this square footage in the new proposed building.

Classrooms and Computing Laboratory for General Assignment Instruction - 15,000 asf

The project proposes a new 600-seat lecture hall, and replacement classrooms with redistributed seat counts for the general assignment classrooms and computing laboratory to better meet course scheduling demands.

Infrastructure

Site infrastructure improvements are being proposed as part of the project to allow for adequate circulation and accessibility. In addition to upgrades and extension of standard utilities a new academic plaza would be constructed to support the academic program. The plaza would allow for informal gathering before and after classes at the north end of the site and would include amenities such as wireless network connections to allow for outdoor group study and informal break-out sessions.

Funding Plan

The overall Kresge College project will be implemented through two funding plans. The budget for academic space will be funded by campus funds and through external financing supported by State General Funds. The academic space in the proposed project is part of the 2018-19 Budget for State Capital Improvements that is being presented to the Regents for acceptance at this

meeting and was submitted to the Legislature and Department of Finance on August 28, 2017. A separate student services and housing project, *Kresge College Non-Academic*, is expected to be funded by campus housing reserves, parking reserves, external financing, campus funding, and student fee reserves. Each budget action of the project, non-academic and academic, is requesting appropriate separate approvals. The renovation and new construction work will be coordinated in order to contain costs, minimize disruption to ongoing campus operations, and accelerate completion.

Approval Request and Schedule

The requested preliminary plans funding of \$3 million would enable the campus to refine the scope of the project and budget, and complete schematic design and design development prior to submitting the project for full budget and financing approval from the Regents. The funding would support completion of programming and concept design, comprehensive geologic and seismic surveys, and California Environmental Quality Act (CEQA) documentation. Following appropriate approvals of the budget, financing, design, and CEQA, construction would commence in fall 2019, with the goal of completion by fall 2021.

KEY TO ACRONYMS

ASF	Assignable-Square-Foot
CEQA	California Environmental Quality Act
CMAR	Construction Management at Risk

ATTACHMENTS:

- Attachment 1: Preliminary Plans Budget
- Attachment 2: Delivery Model
- Attachment 3: Alternatives Considered
- Attachment 4: Site Context and Site Detail

ATTACHMENT 1

PRELIMINARY PLANS BUDGET

<u>Category</u>	<u>Amount</u>
A/E Fees ⁽¹⁾	\$1,318,000
Campus Administration ⁽²⁾	\$580,000
Surveys, Tests, Plans ⁽³⁾	\$280,000
<u>Special Items ⁽⁴⁾</u>	<u>\$822,000</u>
Total Preliminary Plans Budget	\$3,000,000

¹ Executive architect, schematic design, and design development.

² Campus project management, planning, engineering and design review, and contracts administration.

³ Site surveys including: soils, geologic borings, and trenching; and design phase testing.

⁴ Programming consultants, CEQA documentation, peer reviews, specialty consultants, and agency fees.

ATTACHMENT 2

DELIVERY MODEL

The Kresge College project is currently anticipated to be delivered as Construction Management at Risk (CMAR). The campus has found that CMAR allows the project team to gain feedback from the construction management team early to address project complexities, including existing site and building conditions, cost management and project phasing. This project involves overlapping and competing interests of multiple stakeholder groups, critical adjacencies of multiple programs, and a combination of renovation of architecturally important buildings and new construction. CMAR delivery can deal effectively with these issues and with the environmental reviews necessary for this project. While CMAR is a potentially effective approach, construction delivery methods are one of many factors that will be considered during the preliminary planning phase.

It is possible that the assessments done during this phase would suggest a method other than CMAR to be better suited for this project. The criteria for selecting the appropriate method will include:

- Minimizing the ability for owner directed changes after initial programming.
- Shifting appropriate level of financial risks and incentives to the project team.
- Minimizing the risk of CEQA delays related to historic preservation.
- Obtaining competitive subcontractor bids.
- Integrating difficult site constraints and phasing into the design solution and the budget.

Construction of the overall Kresge College redevelopment and renovation is proposed in two phases in order to reduce, if not eliminate, the need for decanting programs during construction. Phase 1 starts construction in fall 2019 and will be delivered August 2021. This phase includes the construction of the new academic buildings proposed in this item, as well as the residential buildings, accessibility improvements to the north bridge, and the new town hall. Phase 2 would commence upon completion of the new buildings and would include the renovation of all remaining existing buildings. Expected completion of Phase 2 is summer 2023.

ATTACHMENT 3

ALTERNATIVES CONSIDERED

The following alternatives were considered:

- A. Perform deferred maintenance and required code upgrades on existing academic buildings at Kresge College in conjunction with the Kresge College project. Build a new lecture hall at an alternate site on campus.
- B. Demolish the existing Kresge town hall and build a new academic building on that site to include a large lecture hall. (Recommended)
- C. Redevelop the entire Kresge College site and construct appropriate new academic facilities to replace existing programs and provide additional classroom capacity.
- D. Defer the project

Details and proposed costing of each alternative are identified below. Thorough studies and analysis indicate Alternative B would meet the primary project goals, while also allowing the campus to minimize its financial obligations.

A. Perform deferred maintenance and required code upgrades on existing academic buildings at Kresge College in conjunction with the Kresge College project. Build a new lecture hall at an alternate site on campus.

The least expensive path to extend the usable life of Kresge College academic buildings would be to perform deferred maintenance and required code upgrades. Doing so would address existing building condition deficiencies as well as perform code and accessibility upgrades. Implementation of such a large major maintenance project would require moving the academic programs and existing classrooms to another location on campus. Decanting or surge space is not available on campus, and off-campus locations, if available, would not be readily accessible to students and faculty.

Any approach to a project of this scope will have adverse effects (noise, dust, utility shutdowns, circulation impacts, parking). A major maintenance project would affect the operation of the college, and therefore, create operational costs for all programs during the project. The site design makes mitigation of these impacts near impossible.

Most importantly, as the existing site has very little open space for new buildings, this alternative would require that a large lecture hall to be constructed at another location on campus. Project construction costs would be significantly higher with two construction site locations.

B. Demolish the existing Kresge Town Hall and build a new academic building on that site to include a large lecture hall. (Recommended)

Demolishing the existing Kresge College Town Hall building and constructing a new academic building is the recommended option. Not only would building an additional lecture hall for the campus be a possibility, but renovating and re-programming Kresge College to have an academic

hub would have positive impacts for the campus community as a whole, particularly with the planned housing developments on the western side of the campus. Kresge could become a recognizable center close to the campus's academic core for the western side of campus.

This option would be phased to: first construct the new building, then move existing programs from the existing academic buildings and classrooms into the new building, and then renovate and repurpose the existing buildings for other uses. This would alleviate the need for decanting space during construction.

With the cost of the decanting space required, poorly programmed academic and classroom buildings, and potential unforeseen conditions in the existing buildings, this project alternate cost could be similar to Alternative A. However, it would not only extend the usable life of many of the existing Kresge College buildings, it would also allow overall fundamental programmatic issues to be resolved or improved.

As previously mentioned, any approach to a project of this scope will have adverse effects (noise, dust, utility shutdowns, circulation impacts, parking). However, Alternative B, would be phased with the housing and student services improvements at Kresge, which should mitigate many of the impacts associated with construction activities.

C. Redevelop the entire Kresge College site and construct appropriate new academic facilities to replace existing programs and provide additional classroom capacity

Alternative C would be the best way to resolve the fundamental programmatic issues associated with the existing design at Kresge College. All new housing, student support, and academic facilities would be compelling and attractive to future residents and the campus community. However, constructing all new buildings is not the recommended option, due to numerous complexities associated with the physical constraints of the building site and desire to retain the cultural history of the college. The California Environmental Quality Act (CEQA) process would engage the campus community to consider the historic nature of Kresge, and likely mitigations could require preservation of certain features of some of the site and buildings. This type of approach is not practical, as it could delay expediting the project approval process through extensive redesign efforts.

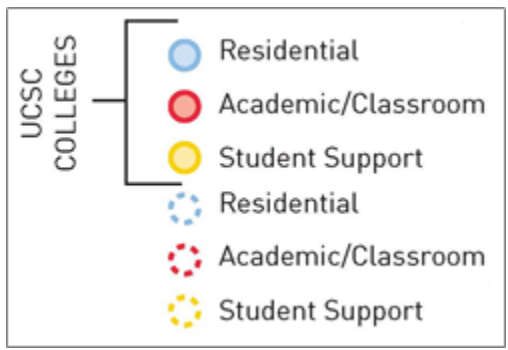
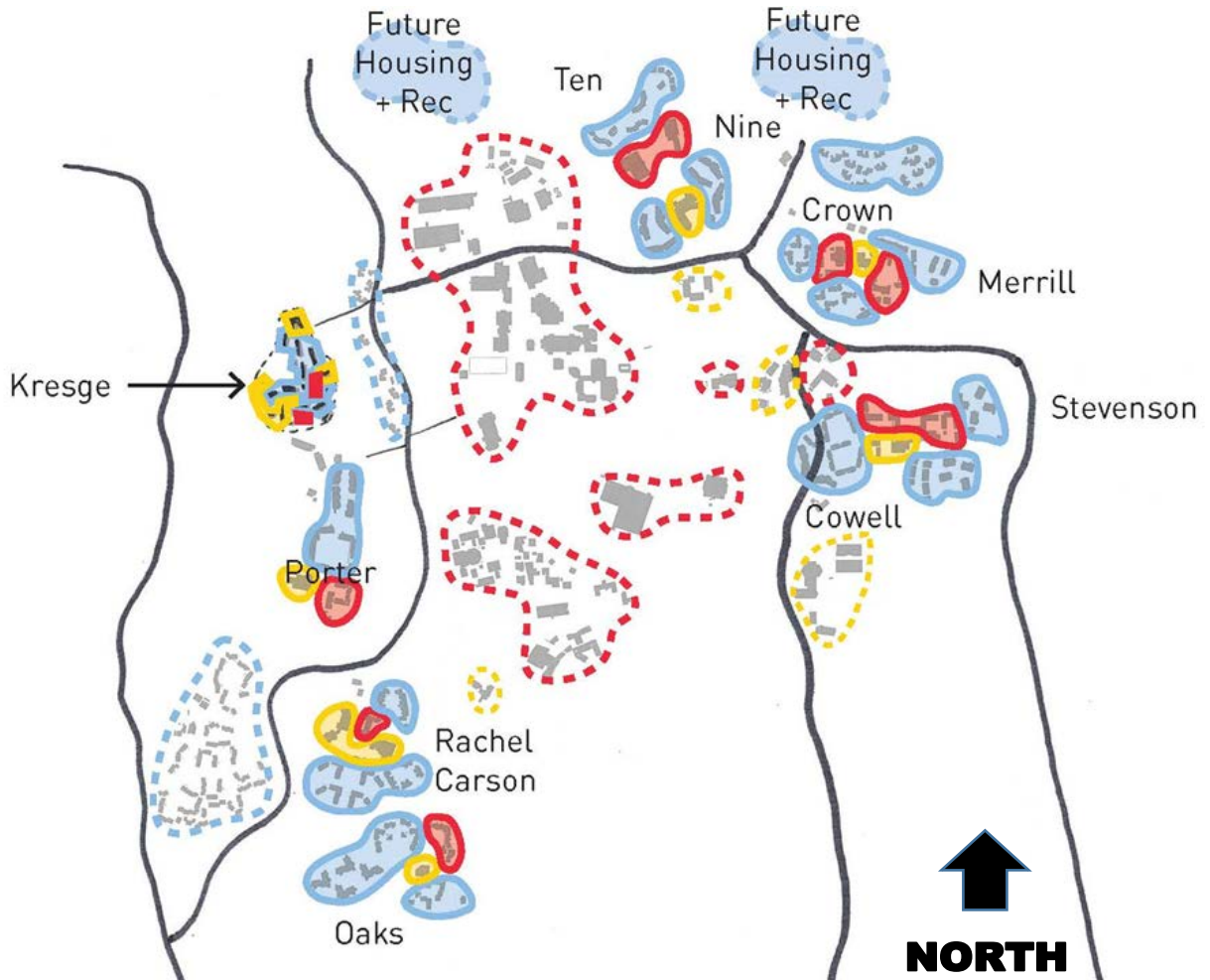
Of all the considered alternatives, this option would have the largest financial impact on the campus. The campus is not in a financial position to fund such a large commitment.

D. Defer the project

This option would perform Alternative B, but deliver the project far later than 2020-21. This approach would ignore that the building life span is finite, and incorrectly assumes that the unit life span could be successfully extended through a series of modest repair projects in the interim. Given anticipated campus enrollment increases and serious existing space deficiencies, coupled with the physical state of Kresge College and the opportunity presented by the State GFF funding, the "no project" option is not considered reasonable.

ATTACHMENT 4A

SITE CONTEXT



SITE DETAIL

