

Office of the President

TO MEMBERS OF THE FINANCE AND CAPITAL STRATEGIES COMMITTEE:

**ACTION ITEM – CONSENT**

*For Meeting of November 14, 2018*

**APPROVAL OF PRELIMINARY PLANS FUNDING, SCOPE, AND WORKING DRAWINGS FUNDING, ROADWAY AND SITE IMPROVEMENTS AT ZUCKERBERG SAN FRANCISCO GENERAL HOSPITAL, SAN FRANCISCO CAMPUS**

**EXECUTIVE SUMMARY**

The San Francisco campus proposes to construct a new roadway and associated site improvements at the Priscilla Chan and Mark Zuckerberg San Francisco General Hospital and Trauma Center (ZSFG) location. Concurrently, UCSF plans to construct a new research building at ZSFG on land leased from the City and County of San Francisco (City). The building will accommodate UCSF researchers currently located in seismically compromised City-owned buildings at ZSFG. The site for the research building is on a surface parking lot. The roadway is necessary to maintain emergency access to the research building and other ZSFG medical facilities. A separate action item regarding the preliminary plans budget for the research building is being proposed at this Regents meeting.

The proposed roadway will connect the on-campus hospital loop roadway with Vermont Street, and will be located between the existing Building 5 and the new UCSF research building at ZSFG, providing access to clinics and a new Urgent Care Clinic in Building 5 (see Attachment 2). The improvements will include on-campus parking, retaining walls, landscaping, and a possible drop-off area. The project also includes demolition or relocation of existing utilities and the installation of new utilities.

In July 2015, the Regents approved preliminary plans funding of \$10.9 million for a proposed research building at ZSFG that included a roadway and associated site improvements. At that time, UCSF proposed to lease the entire project site from the City for construction of both the building and the roadway. In November 2016, following UCSF's negotiations with the City, the Regents approved the terms of a ground lease and a Lease Disposition and Development Agreement (LDDA) that separated the land leased for the building from the City-owned land for the roadway. At that same meeting the Regents certified the Final Environmental Impact Report (FEIR) related to this project. The FEIR will be relied upon for any future University and City approval actions necessitating review under the California Environmental Quality Act.

The roadway and site improvements will be constructed by UCSF and turned over to the City for operations and maintenance when complete. The LDDA requires plan review and permit issuance by City agencies. While both the research building and the roadway and site improvements projects will be implemented with the same design-build team, UCSF is seeking approvals as two separate projects in order to maintain cost and schedule controls, as the projects have different and separate approval and permitting processes.

The campus is requesting preliminary plans funding (\$1,949,000) and working drawings funding (\$1,762,000) to cover costs associated with pre-design and design efforts. This funding will allow the campus to proceed with design and the required City reviews, thereby obtaining cost assurances prior to seeking approval of the total project budget. The development of construction drawings is particularly important since the project will need to go through several reviews by City agencies and the City's permitting process, which could affect the project schedule. The LDDA requires that permitting for both the roadway and site improvements project and the research building project be complete before the ground lease can be executed; therefore, delays in one project will affect the schedule for the other.

In this action, the Regents are being asked to approve: 1) \$1,949,000 of preliminary plans funding and \$1,762,000 in working drawings funding, both to be funded with campus funds, for a total of \$3,711,000 and 2) the project scope. The campus funds will come specifically from a centrally managed pool of unrestricted (non-State, non-tuition) funds, including indirect cost recovery on sponsored contracts and grants, and investment earnings. The requested preliminary plans and working drawings funding will allow the campus to engage the design-build team and to complete design, project estimating, and reviews and permitting by the City. Regental approval of budget and external financing will be requested in a subsequent action. Following the Regents' approval of budget and external financing, the City will be responsible for entitling and permitting the design and construction of the roadway and site improvements.

### **RECOMMENDATION**

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

- A. The 2018-19 Budget for Capital Improvements and the Capital Improvement Program be amended to include:  
  
San Francisco: Roadway and Site Improvements at Zuckerberg San Francisco General Hospital – preliminary plans and working drawings – \$3,711,000, to be funded from campus funds.
  
- B. The scope of the Roadway and Site Improvements at Zuckerberg San Francisco General Hospital (ZSFG) project shall provide a new east-west roadway on the ZSFG campus connecting the on-campus hospital loop roadway with Vermont Street; site improvements include: installation of landscaping, pedestrian pathways, drainage, accessible parking spaces, and utilities serving the roadway. The work includes the removal or relocation of

existing utilities and parking spaces, relocation of a historic decorative fountain, and installation of underground utilities serving the new research building.

### **BACKGROUND**

The Priscilla Chan and Mark Zuckerberg San Francisco General Hospital and Trauma Center (ZSFG) is owned and operated by the City and County of San Francisco (City), which has partnered with UCSF in public health since 1873. This 145-year-old partnership between the City and UCSF created and now supports one of the country's top public hospitals, the City's only Level 1 trauma center. ZSFG is an academic medical center known worldwide for its research and creative treatment for the most challenging diseases. Under an affiliation agreement, the parties agree to provide hospital and patient care services in a teaching setting.

UCSF employees occupy research laboratories, clinics, and offices in ten City-owned buildings at ZSFG. These buildings were built in 1915 and do not comply with the UC Seismic Safety Policy. Renovating these buildings would be cost-prohibitive and impractical because: (1) the buildings would need to be vacated during the retrofit, but no relocation space is available; (2) building systems would require complete overhaul and new interior improvements to be constructed; and (3) dimensions and configurations are suboptimal for contemporary research. The separately proposed research building would accommodate UCSF researchers currently located in seismically compromised space.

### **PROJECT DESCRIPTION**

The proposed project will construct a new roadway on the ZSFG campus, connecting the on-campus hospital loop roadway with Vermont Street (see Attachment 2). It will be located between the existing Building 5 and the new UCSF research building to provide convenient access to clinics and the new Urgent Care Clinic in Building 5. This roadway will include accessible parking spaces and is critical to maintaining emergency access to the other ZSFG medical facilities. Site improvements will include installation of landscaping and pedestrian pathways, relocation of a historic decorative fountain serving as a planter in the parking lot, drainage, and other utilities serving the roadway. The work includes the removal or relocation of existing utilities and parking spaces, and installation of underground utilities serving the new research building. These utilities will connect the main lines located in Vermont and 23rd Streets to stub-outs within five feet of the new research building. The roadway project also includes the construction of 30 new on-campus parking spaces and, potentially, will have drop-off and pick-up spaces between the existing Building 5 and the new research building.

The Lease Disposition and Development Agreement (LDDA) between the Regents and the City includes requirements that affect the cost and schedule for the roadway and site improvements project. For example, the City will review schematic design, design development, and 100 percent of the working drawings documents for this project. The University also is required to use the City's Storm Water Pollution Prevention Program standards, which are more stringent than State and University standards. These efforts add costs to the development of preliminary plans for the roadway and site improvements, including creating bridging documents to facilitate

City approvals, engaging trade partners during preliminary plans, and additional design and engineering effort to account for complex site conditions related to the age and location of multiple utilities serving the existing facilities at the campus.

Working drawings funding will allow the campus to complete design through construction documents and obtain some cost assurances prior to seeking approval of the total project budget. In particular, the completion of working drawings will enable UCSF to submit the project for permitting by the City so that the ground lease then can be executed, as required by the LDDA.

***Project Schedule and Future Actions***

Following approval of preliminary plans and working drawings funding, the campus will take the project through design, including progress meetings and review of schematic design, design development, and working drawing documents with City staff. The campus will seek approval of full budget and external financing from the Regents in mid-2019. Following budget and external financing approval, the City will be responsible for entitling and permitting the design and construction of the roadway and site improvements.

The LDDA between the University and the City requires that all permitting for design and construction of the roadway and site improvements, and the proposed research building, be complete prior to execution of the ground lease for the research building site. Construction of the roadway and site improvements will begin following the execution of the ground lease, and is currently planned to begin in early 2020, with completion by fall 2020.

***Funding Plan***

The proposed \$1,949,000 of preliminary plans funding and \$1,762,000 in working drawings funding will be funded with campus funds, for a total of \$3,711,000. The campus funds will come specifically from a centrally managed pool of unrestricted (non-State, non-tuition) funds, including indirect cost recovery on sponsored contracts and grants, and investment earnings. When the campus requests full budget and external financing approval, the action may also request reimbursement of some of the campus funds used for preliminary plans with external financing.

**KEY TO ACRONYMS**

ASF	Assignable-Square-Foot
City	City and County of San Francisco
FEIR	Final Environmental Impact Report
ZSFG	Pricilla Chan and Mark Zuckerberg San Francisco General Hospital and Trauma Center

**ATTACHMENTS:**

Attachment 1: Preliminary Plans and Working Drawings Budget

Attachment 2: ZSFG Campus Map and Project Site

**PRELIMINARY PLANS AND WORKING DRAWINGS BUDGET**

**ROADWAY AND SITE IMPROVEMENTS AT  
ZUCKERBERG SAN FRANCISCO GENERAL**

**PROJECT SOURCES**

<b>Sources</b>	<b>Preliminary Plans</b>	<b>Working Drawings</b>	<b>Total</b>
Campus Funds	\$1,949,000	\$1,762,000	\$3,711,000
<b>Total Sources</b>	<b>\$1,949,000</b>	<b>\$1,762,000</b>	<b>\$3,711,000</b>

**PROJECT USES**

<b>Category</b>	<b>Preliminary Plans</b>	<b>Working Drawings</b>	<b>Total</b>
A/E Fees <sup>1</sup>	\$979,000	\$1,304,000	\$2,283,000
Campus Administration <sup>2</sup>	\$350,000	\$164,000	\$514,000
Surveys, Tests, Plans <sup>3</sup>	\$70,000	\$24,000	\$94,000
Special Items <sup>4</sup>	\$550,000	\$270,000	\$820,000
<b>Total Uses</b>	<b>\$1,949,000</b>	<b>\$1,762,000</b>	<b>\$3,711,000</b>

***Cost Drivers:***

Several elements of the roadway and site improvements project require significant design and pre-construction coordination in both the preliminary plans and working drawings phases, including:

- Working with San Francisco Department of Building Inspection for plan review, inspection, and permitting,
- Preparation of archeologist report and planning for protection and relocation of artwork and historic fountain, as well as protection of historic fence and guardhouse,
- Designing for protection of existing electrical switchgear and addition of another transformer with related gear on the site, and
- Designing to the City's Storm Water Pollution Prevention Program standards that are more stringent than State and University standards.

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<sup>1</sup> A/E Fees include the architect and technical team basic services contract fee, design-build management and trade partners for design, plan review, and team mobilization.

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

<sup>3</sup> Surveys, Tests, Plans include: hazardous materials survey and testing.

<sup>4</sup> Special Items include: legal fees, environmental consultants, CEQA analysis and documentation, and community presentations.

ZSFG CAMPUS MAP AND PROJECT SITE

