

Office of the President

TO MEMBERS OF THE FINANCE AND CAPITAL STRATEGIES COMMITTEE:

## ACTION ITEM

*For Meeting of September 16, 2020*

### **BUDGET, SCOPE, EXTERNAL FINANCING, AND DESIGN FOLLOWING ACTION PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT, THEATRE DISTRICT LIVING AND LEARNING NEIGHBORHOOD, SAN DIEGO CAMPUS**

#### **EXECUTIVE SUMMARY**

The Theatre District (formerly Future College) Living and Learning Neighborhood (TD LLN) would include five buildings ranging in height from nine to 21 stories on 5.5 buildable acres to provide approximately 2,000 undergraduate student beds, plus 50 beds for resident advisors and live-in staff (324 total units), for an approximate density of 373 beds per acre, or 59 units per acre. The project will include approximately 17,000 assignable square feet (ASF) for flexible classroom space, offices for residential life and administrative staff, a meeting center, a dining hall, a restaurant and retail that, together with the housing, would total approximately 645,000 ASF, or 929,000 outside gross square feet (ogsf). The proposed density equates to a Floor-Area-Ratio of 3.9. The total site is 11.8 acres. Beyond the 5.5 buildable acres, the remaining 6.3 acres would consist of public realm and vehicular circulation improvements. The project would provide below-grade replacement parking for approximately 1,200 cars (360 net new spaces).

As a result of recent rapid undergraduate enrollment growth at UC San Diego (30 percent increase since fall 2010)<sup>1</sup>, creative measures were necessary to provide enough beds for students. Additional beds were added by converting rooms that were originally designed as doubles (two students per bedroom) to triples (three students per bedroom). At the start of the fall 2019 term, the campus had 2,075 rooms occupied in excess of design capacity. Even prior to the global pandemic, the campus had identified removal of triples as a top priority, due to overcrowding, but removal was planned to occur over a period of almost ten years, as new housing projects were opened. As of April 2020, and in keeping with social distancing guidelines, the campus announced that all rooms would be returned to the original, as-designed (no triples) condition by fall 2020. UC San Diego must move forward with this project because the campus does not have enough housing inventory to meet demand for lower division students with the sudden loss of 2,075 beds (removed triples) due to COVID-19.

Despite the current pandemic, as of July 2020, the number of housing applications received for the fall term was nearly 14,000. Since the campus will only be able to offer approximately

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<sup>1</sup> Data source: <https://www.universityofcalifornia.edu/infocenter/fall-enrollment-glance>

11,600 beds, there will be a shortage of 2,400 beds and, as of July 2020, nearly 1,300 students had already added their names to the waitlist. On-campus housing is critically needed to ensure that students have access to affordable housing in close proximity to campus.

The project would have a positive impact on job creation. During the design and construction phases, it is estimated that the project would create approximately 370 jobs for a period of three years, including University positions in Capital Program Management and Inspection Services, as well as non-University positions in the following sectors: architecture, engineering, consulting, construction management, construction trades, and related services. Upon project completion, approximately 80 permanent local and campus jobs will be created for residential management, advising, maintenance, and janitorial.

The campus presented an overview of this project to the Regents in a May 2019 discussion item. At their July 2019 meeting, the Regents approved preliminary plans funding in the amount of \$30 million from campus funds. The Regents are being asked to: 1) approve the project budget of \$645 million, to be funded from external financing (\$644 million) and campus funds (\$1 million); 2) approve the project scope; 3) approve \$644 million in external financing; 4) adopt the California Environmental Quality Act Findings; 5) make a condition of approval the implementation of applicable mitigation measures within the responsibility and jurisdiction of UC San Diego; and 6) approve the design of the TD LLN.

### **RECOMMENDATION**

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

- A. The 2020-21 Budget for Capital Improvements and the Capital Improvement Program be amended as follows:
  - From: San Diego: Future College Living and Learning Neighborhood – preliminary plans – \$30 million funded from housing reserves.
  - To: San Diego: Theatre District Living and Learning Neighborhood – preliminary plans, working drawings, construction, and equipment – \$645 million to be funded with external financing (\$644 million) and campus funds (\$1 million).
- B. The scope of the Theatre District Living and Learning Neighborhood (TD LLN) project shall provide approximately 2,000 undergraduate student beds, plus 50 beds for resident advisors and live-in staff, and residential support space of approximately 574,000 assignable square feet/823,000 outside gross square feet and non-residential space of approximately 71,000 assignable square feet/106,000 outside gross square feet including administrative space; approximately 17,000 assignable square feet of flexible classroom space; a meeting center; a dining hall, a restaurant and retail. The scope would also include underground parking for approximately 1,200 cars. Public realm and vehicular circulation improvements would include an improved campus entry at Revelle College

Drive; realignment of Scholars Drive South; an extension of Ridge Walk; a valet/drop-off zone for the adjacent performing arts venues; a transit hub for campus shuttles; and recreation and outdoor wellness areas throughout the site.

- C. The President be authorized to obtain external financing in an amount not to exceed \$644 million plus additional related financing costs. The President shall require that:
- (1) Interest only, based on the amount drawn, shall be paid on the outstanding balance during the construction period.
  - (2) As long as the debt is outstanding, general revenues from the San Diego campus shall be maintained in amounts sufficient to pay the debt service and to meet the related requirements of the authorized financing.
  - (3) The general credit of the Regents shall not be pledged.
- D. Following review and consideration of the environmental consequences of the proposed TD LLN project, as required by California Environmental Quality Act (CEQA), including any written information addressing this item received by the Office of the Secretary and Chief of Staff no less than 24 hours in advance of the beginning of the Regents meeting, testimony or written materials presented to the Regents during the scheduled public comment period, and the item presentation, the Regents:
- (1) Make a condition of approval the implementation of applicable mitigation measures within the responsibility and jurisdiction of UC San Diego, as identified in the Mitigation Monitoring and Reporting Program adopted in connection with the 2018 Long Range Development Plan (LRDP) Environmental Impact Report (EIR).
  - (2) Adopt the CEQA Findings for the TD LLN, having considered the 2018 LRDP EIR for the La Jolla Campus, as well as Addendum No. 5 to the 2018 LRDP EIR for the Theatre District Living and Learning Neighborhood.
  - (3) Approve the design of the TD LLN project, San Diego Campus.
- E. The President be authorized, in consultation with the General Counsel, to execute all documents necessary in connection with the above.

## **BACKGROUND**

### ***Key Project Drivers***

The three key drivers for the Theatre District Living and Learning Neighborhood (TD LLN) are:

1. Meet student housing demand by providing affordable housing in support of the Long Range Development Plan (LRDP)

2. Maintain the success of the undergraduate college system
3. Address current demand for academic space and create a living and learning community

**Meet Student Housing Demand by Providing Affordable Housing in Support of the LRDP**

Despite its ranking as the fourth largest residential campus by number of student housing beds<sup>2</sup>, UC San Diego does not have enough inventory to meet demand. The shortage of affordable priced rentals in the surrounding communities of La Jolla and University City strongly affects the demand for on-campus housing. A consulting firm was retained by the campus to compare the cost of on-campus to off-campus housing; data was collected in summer 2019. The results indicate that the cost for first- and second-year undergraduate students to live on campus is between 27 and 30 percent lower than living off campus, as indicated in Table 1.

**Table 1: Rental Rate Comparison**

| <b>Location</b>   | <b>Rate Per Bed/ Month in 2023-24</b> | <b>% Below Market</b> |
|---|---------------------------------------|-----------------------|
| <b>Proposed TD LLN<sup>(a)</sup></b>  |                                       |                       |
| Double, Residence Hall  | \$1,229                               | 30%                   |
| Double, Apartment   | \$1,285                               | 27%                   |
| Off-Campus two-bedroom apartment <sup>(b)</sup>   | \$1,759                               | --                    |
| <i><sup>(a)</sup> On-campus rental agreement for 1<sup>st</sup> and 2<sup>nd</sup> year students is based on a 9-month rental term.</i>                         |                                       |                       |
| <i><sup>(b)</sup> Off-campus rent is an average of data provided in XPERA Group Report, published August 2019 escalated to 2023-24. Based on 12-month term.</i> |                                       |                       |

The UC San Diego 2018 LRDP includes a goal to provide housing for up to 65 percent of eligible<sup>3</sup> students (which includes undergraduate, graduate, and professional students) in campus-owned facilities. As of fall 2019, the campus provided housing for 39 percent (15,270) of all eligible students, leaving a shortage of nearly 10,000 beds to achieve the LRDP goal. Even when housing students in excess of design capacity, the campus was unable to meet demand and could not achieve the 65 percent housing goal. The campus anticipates that, with completion of the proposed project, it will be able to house approximately 47 percent of eligible students, a considerable increase towards meeting the 65 percent goal. This increase accounts for the removal of 2,075 undergraduate student beds as described in the Executive Summary above.

**Maintain the Success of the Undergraduate College System**

The college system, an integral component of UC San Diego's undergraduate student experience, was inaugurated with the opening of Revelle College in 1964. In the following years, five more colleges – Muir, Marshall, Warren, Roosevelt, and Sixth – were established, each with its own residential facilities, distinctive educational philosophy, general education/graduation requirements, and student support services. The 2018 LRDP anticipated the addition of up to two more residential colleges with the intent of rebalancing enrollment to approximately 4,000

<sup>2</sup> Data Source: Association of College and University Housing Officers - International

<sup>3</sup> Eligible students include graduate students. To be determined "eligible", students must have met all required deadlines in the admissions and housing application process and undergraduates must maintain a minimum of 12 units per quarter.

students per college, given that current enrollments exceed 5,000 students. Operational experience related to accomplishing administrative functions, academic advising, student affairs advising, student programming, housing, and dining within a college's physical footprint all point to 4,000 as a goal for the number of students per college<sup>4</sup>. In May 2019, the Regents approved the establishment of Seventh College, which is scheduled to enroll its first cohort of students in fall 2020. Seventh College will be located in existing facilities at The Village, which opened in 2011 and has provided housing for transfer students<sup>5</sup>. The proposed project would include administrative and academic advising/support space to accommodate an eighth college, which is currently in the academic proposal phase<sup>6</sup>, with enrollment of its first cohort of students to coincide with completion of TD LLN in fall 2023.

#### Address Demand for Academic Space and Create a Living and Learning Community

Sustained enrollment growth has also resulted in a shortage of teaching spaces on the campus, in particular, spaces that are designed for active learning and allow for flexible configurations. Technologically-enhanced, flexible, active learning spaces that allow tables and chairs to be rearranged are needed to enable student-teacher and student-student collaboration. In addition, the campus has a shortage of large capacity (over 200 seats) classrooms with flexibility for adaptive teaching and learning modes. For example, in fall 2019 lecture halls with greater than 300 seats had a utilization rate of 142 percent of standard<sup>7</sup>. To address this need, and also recognizing the evolutions in teaching and active learning methods resulting from the global pandemic, the proposed project would include approximately 17,000 ASF of flexible classroom space. Further, locating student housing together with academic space would enrich the student experience by creating areas for collaboration and interaction between students and faculty across various disciplines, thus reinforcing the goals of creating a living and learning neighborhood focused on creating opportunities for students to be academically successful and enriching the overall student experience. This mixed-use approach of integrating housing, teaching, learning, and social spaces in one location is intended to also lower project costs due to economies of scale and shared infrastructure.

### **PROJECT DESCRIPTION**

To support and encourage the undergraduate living and learning environment, TD LLN would locate housing together with resident support, academic counseling, classrooms, and small work spaces that could be reserved for study groups or other student meetings, restaurants, and other retail. Interior spaces have been designed to open to passive and active exterior landscaping to provide residents and others with opportunities to be outdoors. A proposed area summary is provided in Attachment 8, along with a brief description of program below.

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<sup>4</sup> Proposal for an Eighth College at UC San Diego: <http://senate.ucsd.edu/current-affairs/issues-under-review/8th-college-proposal-review/>

<sup>5</sup> Until Seventh College has reached full capacity, transfer students would continue to be offered housing at The Village. In the longer term, transfer students would be offered campus housing at Pepper Canyon West, which is currently in planning.

<sup>6</sup> Proposal for an Eighth College at UC San Diego: <http://senate.ucsd.edu/current-affairs/issues-under-review/8th-college-proposal-review/>

<sup>7</sup> A classroom with 100-percent utilization implies that each seat is occupied for 35 hours a week. Source of data: Office of Institutional Research, UC San Diego

### ***Student Housing***

Approximately 2,000 new undergraduate student beds would be provided in a mix of apartments and residence halls, with four-student, eight-student, and 12-student units. Student housing would be located in all five buildings. All bedrooms would have no more than two students per room. There would be an additional 42 beds for Resident Advisors, eight beds for professional/staff use, and four executive suites for visiting lecturers or other campus guests.

### ***Non-Residential (Academic, Retail, Public Realm)***

Approximately 17,000 ASF of new, flexible academic space would be located in Building 5. Due to continuous advancements in teaching methods and the more recent transition to online learning as a result of the COVID-19 pandemic, the campus continues to evaluate options for adaptable and active learning classroom space that would best accommodate faculty and students' needs as education continues to evolve. . The academic program would also include space for the core instructional writing program, offices for a new provost when an eighth college is established, academic advising and support.

The project also would include approximately 9,000 asf of large and small meeting spaces and support; approximately 11,000 asf of warehouse space for maintenance of these new facilities; and approximately 23,000 asf of dining hall, and restaurant and retail space to be operated by third-party local vendors. Students living at TD LLN would have access to multiple dining options, including a dining hall located at the ground level of Building 3 (refer to Attachment 7, Design Graphics). The dining hall would include a range of food options provided by multiple vendors. In addition to the dining hall at TD LLN, students would have access to 64 Degrees, which is an existing and recently renovated dining hall at Revelle College just north of the site. A restaurant space would be located at the ground level of Building 4 and would serve students, faculty, staff, patrons of adjacent performing arts facilities, neighbors, and other visitors.

### ***Below-Grade Replacement Parking***

The proposed project would displace approximately 840 parking spaces that are between 96 and 98 percent occupied by faculty, staff, and visitors during peak academic hours. During "off-peak" hours (nights and weekends), parking at these two lots has a similarly high occupancy rate because these lots provide parking for patrons of the La Jolla Playhouse (LJPH) and other performing arts events in the Theatre District.

Approximately 1,200 spaces would be provided as part of this project (360 net new) and these would serve faculty, staff, patrons of the adjacent performing arts venues, including LJPH<sup>8</sup>, student commuters, and other visitors; these spaces would not serve student residents. Per campus policy, freshman and sophomore student residents are not permitted to park a car on campus (a waiver can be granted in certain circumstances). Parking at this location also aligns with the 2018 LRDP goal of providing parking facilities at the campus periphery to allow for a

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<sup>8</sup> Per a standing agreement between the University and the La Jolla Playhouse (LJPH), the campus is required to provide parking for LJPH patrons. Construction during the proposed project would eliminate these existing parking spaces.

more pedestrian-focused campus core. In addition, even with light rail service arriving on campus in late 2021, the nearest station to the proposed site is three-quarters of a mile away, over a 100-foot elevation change. The parking at this location would also help alleviate parking “intrusion” into nearby off-campus residential areas and thus help address community concerns by providing additional on-campus supply.

### ***Public Realm Improvements***

There are approximately 6.3 acres of public realm improvements proposed with this project. A portion of Scholars Drive would be realigned so that the campus loop road does not bisect the new neighborhood. Ridge Walk would be extended to the south for improved pedestrian and bicycle circulation and would connect to a new transit hub which will improve connectivity for professors and students traveling back and forth from the Scripps Institution of Oceanography campus nearby. A drop-off/pick-up zone would be provided for patrons of the Theatre District. To support student health and well-being, a tea house, meditation pavilion, active external collaboration spaces, and a wellness corridor for outdoor activation would be provided.

### ***Project Implementation and Schedule***

The requested approvals would enable the campus to begin construction of the project in late fall 2020. The campus is utilizing the progressive design-build delivery process (refer to Attachment 10) that would support completion of the proposed project by fall 2023.

### ***Funding Plan and Financial Feasibility***

The total project budget of \$645 million would be funded from external financing (\$644 million) and campus funds (\$1 million), the source of which was an allocation from the UC Office of the President Housing Assistance fund. Over a ten-year period, and using a planning rate of six percent, the campus is projected to have a modified cash flow margin greater than three percent and a debt service to operations maximum below six percent. In January 2020, an exception to exceed the University’s Debt Policy was granted by the Office of the Chief Financial Officer for select capital projects. In light of the current fiscal climate, the San Diego campus has decided to defer a number of planned capital projects and, as a result, an exception to the campus’s overall operations ratio is no longer required. Additional information about the project budget by scope, financial feasibility, and project-specific debt policy exceptions is provided below and in Attachments 1, 3, and 4.

As of June 30, 2019, UC San Diego had a 4.9 percent modified cash flow margin. UC San Diego has stress tested the campuses’ FY 2018-19 revenues by reducing revenue by ten, 15 and 25 percent. In addition, the campus has prepared a ten-year financial plan (Attachment 4) that incorporates operating and other expense reductions necessary to mitigate such reductions. The table below, together with the Summary of Financial Feasibility (Attachment 3) and the ten-year financial plans (Attachment 4), demonstrate support for this project and the campus’s overall financial position.

| <b>San Diego Campus Metrics (\$'s in 000's )<sup>1</sup></b>   |                              |   |   |   |
|--|------------------------------|---|---|---|
| <b>Measure</b>   | <b>FY 2018-19<br/>Metric</b> | <b>10%<br/>Reduction in<br/>Operating<br/>Revenue</b> | <b>15%<br/>Reduction in<br/>Operating<br/>Revenue</b> | <b>25%<br/>Reduction in<br/>Operating<br/>Revenue</b> |
| Operating Revenue  | \$2,824                      | \$2,542   | \$2,400   | \$2,118   |
| Operating Cash Flow Margin <sup>2</sup>  | 4.9%                         | -3.4%   | -8.0%   | -18.8%  |
| Days Cash on Hand – June 2020  | 88                           | 57  | 42  | 12  |
| <b>Notes:</b><br><i>1. Excludes Medical Center</i><br><i>2. Calculations do not consider operating expense reductions or reductions in other expenditures to mitigate the impact of projected revenue losses. See attached 10-year financials for complete projections.</i><br><i>3. Metrics do not meet the requirements of the University's Debt Policy.</i> |                              |   |   |   |

### Non-Residential

The project budget related to the non-residential program, which includes academic and public realm, is \$103,251,000 and would be funded with external financing. The debt service related to this program would be sourced from campus funds. At the tax-exempt planning rate of six percent and assuming a 35-year term with two years of interest only payments, the estimated annual debt service payment is \$7,256,000. While actual rates will depend on the capital markets at the time of financing, current market conditions remain extremely favorable, with UC recently closing its largest General Revenue Bond issuance at a very attractive rate. Under these assumptions, the campus is modeling rates 200 to 300 basis points below planning figures, which would yield a debt cost of \$5 million to \$5.7 million annually.

### Housing and Parking Auxiliary

The project budget related to the housing and parking program is \$541,749,000, of which \$439.3 million is related to housing and \$102.5 million is related to parking. The project budget related to housing would be funded with \$438,292,000 in external financing and \$1 million in UCOP Housing Assistance funds. The project budget related to parking would be funded entirely with external financing. The debt service related to the housing and parking programs would be sourced from housing and parking revenues. At the tax-exempt planning rate of six percent and assuming a 35-year term with two years of interest only payments, the estimated annual debt service payment is \$30.8 million for the housing component and \$7.2 million for the parking component. Applying a 200 to 300 basis point reduction, based on current market conditions, would decrease the total auxiliary debt costs by \$12 million to \$19.5 million annually.

At the planning rate of six percent, both the housing and parking components fall short of the minimum 1.10x auxiliary project coverage and 1.25x auxiliary system debt coverage ratios required by the University's Debt Policy. While actual rates will depend on the capital markets at the time of financing, a market rate of three percent would allow the parking scope to meet both ratios at time of project completion while the housing component would be able to meet the



required 1.10x project-specific coverage by the second year of occupancy. While the campus has made progress in improving its Housing System coverage ratio over the last few years, the current pandemic escalated the need to remove all triple rooms from the current housing inventory. As a result, the campus is absorbing a recurring \$25 million revenue loss until additional beds can be made available, which is what makes this project both critical and time-sensitive. As a result, even at the lower market rate, the Housing System still falls short of the required ratio minimum, returning to allowable levels in FY2028. As with previous exceptions, any shortfall in the project's ability to service its debt would be supplemented from existing housing and parking revenues. An exception to the University's Debt Policy has been granted by the Office of the Chief Financial Officer as the campus has demonstrated its plans to service the debt from overall housing and parking program revenues, if necessary, and its ability to meet the required minimum coverage ratios over time. The campus will also pledge the withdrawable portion of its unrestricted Funds Functioning as an Endowment (FFE) as a backstop to meet the required debt service coverage ratios during the period of the exception.

## **PROJECT DESIGN**

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

The proposed site for TD LLN is located on the southwestern edge of the La Jolla campus with an established residential community located immediately across North Torrey Pines Road. The site is bound by North Torrey Pines Road on the west and south; Revelle College to the north; Galbraith Hall and lawn to the east, and the Theatre District to the southeast. Currently, the site includes two large surface parking lots that are bisected by Scholars Drive, which is the internal campus loop road (refer to Attachment 5).

In concert with existing adjacent performing arts buildings, TD LLN structures would be arranged to create a defined arrival plaza surrounded with ground-level retail and dining to enhance the theatre-community experience and provide a welcoming gateway experience at this prominent campus entry. A meeting center atop the gateway building provides an important landmark with optimized views of the ocean. Public realm improvements would include realignment of Scholars Drive South; a valet/drop-off zone for the adjacent performing arts venues; a transit hub for campus shuttles; an extension of Ridge Walk (a primary north-south pedestrian spine); and generous outdoor space for active and passive recreation.

The site design is organized around the "ramble," a landscaped site element that winds its way through the central portions of the site, capturing and filtering storm water efficiently and creating a wellness corridor. The ramble would connect programmed outdoor "rooms" between the buildings to provide a variety of opportunities to connect with nature. These outdoor spaces feature a wellness corridor for recreation and exercise, including a basketball court to replace a heavily utilized court that would be displaced by this project; a bamboo "forest" with a meditation pavilion at its center; a sun lawn with for passive recreation, and the "backyard," which would include barbeque grills and ping pong tables for student residents. A public plaza adjacent to the restaurant and retail would provide outdoor space for visitors and patrons of the

adjacent performing arts venues. These outdoor spaces comprise approximately 218,500 square feet, supporting and enhancing a healthy living environment for students.

***Building Design and Physical Design Framework***

The project architecture, site plan, and landscaping are consistent with the UC San Diego Physical Design Framework. The building's exterior character, guided by the Physical Design Framework, will be compatible in architectural style and color with surrounding on-campus residential neighborhoods. The design will be responsive to current federal, State, and local guidelines regarding spread of infectious diseases.

Acknowledging proximity to an adjacent residential neighborhood, the campus has adopted a thoughtful approach to density and design and has limited bulk and scale along this campus edge. The nearest residential housing is nearly 200 feet west of the westernmost project boundary; the nearest proposed building would create approximately 300 feet in separation. The design includes five buildings ranging in height from nine to 21 stories. The nine- and 11-story elements are located along North Torrey Pines Road, with the taller, 16- and 21-story elements at the interior of the site, framing the western edge of Ridge Walk. Design is oriented on an east/west axis in order to maximize view corridors, both between the buildings and from the buildings to capture ocean views. This orientation is also meant to enhance natural ventilation, minimize solar radiation, and optimize daylight (refer to Shade Study in Attachment 7, Design Graphics).

All five buildings would be constructed primarily with post-tensioned concrete. Structural steel framing would be used at the lower level of Building 3 to form a projecting roof at the dining hall. Building exteriors would be composed of a variety of finishes including exposed cast-in-place concrete, aluminum panels, low-emissivity glazing in aluminum framed windows, and fiber cement panels. Formed aluminum sunshades and many of the south-facing elevations have been designed to aid in overall building energy performance and sun control. Building orientation and massing has been analyzed to promote air movement into the units and maximize the opportunities for views, while also minimizing bulk and scale impacts along the campus perimeter.

A majority of the exterior of each building will be prefabricated with finished panels and shipped/installed onsite. An estimated 70 percent of the interior walls will be fabricated offsite with the walls prefabricated with plumbing and electrical placed in the wall panels in an assembly line fashion before arriving onsite. Prefabrication allows for a reduction of on-site workforce requirements, the ability to close in the exterior skin faster, lessening the risk of damage due to weather events, a reduction in exterior scaffolding which provides for increased worker safety, better ergonomic working conditions for workers, reduction in construction waste, better quality of construction given that the construction occurs in a controlled environment with increased quality control, an increased ability to control work flow and potential need for social distancing due to government requirements, and a reduction in the construction schedule.

The design accommodates and facilitates health and safety protocols associated with the prevention of the spread of the novel coronavirus. The project would use radiant heating

provided from the existing campus high temperature hot water loop, rather than a forced air system. All units are naturally ventilated through operable windows and trickle vents within the window systems that provide a constant and direct flow of fresh air to the bedrooms and living spaces. This limits the potential for the spread of infectious diseases through the heating and/or ventilation systems.

Additional kitchens and bathrooms within units provide a “stay at home” opportunity with limited outside exposure to other students if quarantining is needed. The community-centric neighborhood design focuses on access to essential necessities without leaving one’s “neighborhood.” Generous social spaces, outside the residences, provide opportunities to be in social settings while maintaining physical distancing. The building circulation patterns can accommodate scenarios that reduce interaction by reducing traffic. This can be accomplished through floor zoning and elevator “assignments” to specific floors. Stairs can be used to further connect to adjacent levels. This reduces congestion (and possible transmission) and also aids in contact tracing if needed. Every floor has direct access to the outdoors to provide access to nature without leaving the building. All finish materials in the building have been selected for durability and will stand up to additional cleaning. Each residential building has been designed with a single point of entry with quick access to elevators. This could be helpful for testing and tracing protocols. This also provides a common location for communication. There are numerous large, flexible multi-purpose spaces with direct access from the exterior on ground level that can be adapted for alternate uses. A variety of social spaces (some outdoors) provide locations for reduced population teaching environments.

Housing unit entries would be brightened by lighting, color, and signage to create identity. Approximately 70 percent of residential units would have ocean views. Windows at the ends of corridors would provide natural light into the common circulation areas of the buildings. Exterior balconies would provide access to views and access to fresh air. Multiple study lounges in each building could also be used for independent study, focused small group meetings, or other informal uses.

### ***Long Range Development Plan***

The project is consistent with the 2018 LRDP, which designates the land use for the selected site as “Housing,” and it supports the following themes and objectives specified in the LRDP, including those described above and as follows: 1) Recognize land as a limited and valuable resource and optimize usage of the few remaining development parcels; 2) Recognize the importance of campus open space to balance with the built environment and continue to be responsible stewards of campus natural resources; 3) Location of campus programs, facilities, and activities together to create synergy of shared resources and services; and 4) Minimize environmental impacts through sustainable development practices (as described below).

The proposed project and its location was envisioned and planned for in the 2018 LRDP, resulting in both internal and external outreach and engagement. Campus outreach efforts began in earnest in 2017 and comprised sharing informational materials with the community, hosting several community open houses and updates and providing other presentations to various

communities, including local community groups in La Jolla and University City. A Community Advisory Group (CAG), comprised of external community group members and leaders as well as City of San Diego planning representatives, played an advisory role in the development of the 2018 LRDP, a precursor to the proposed project. Discussions with the CAG resulted in the 2018 LRDP reflecting community input, such as the inclusion of the LRDP's "Community Planning Goals" and the 2018 LRDP EIR's mitigation measures for traffic and edge development. Several design features incorporated into the TD LLN project are a result of input received through this extensive outreach.

Following approval of the 2018 LRDP, the campus began its internal and external community engagement for the proposed project. Key outreach efforts undertaken by UC San Diego on the project included regular communications and updates to local community groups and interested individuals, community open houses, development of a project web site, and discussions with community leaders.

### ***Sustainable Practices***

Targeting Leadership in Energy and Environmental Design (LEED™) Gold (version 4.1), TD LLN has been designed to achieve both low-energy usage and high performance while improving the overall health and wellness of the community. The project would meet or exceed all UC sustainability strategies and, through an integrated design process, the project would achieve a predicted Energy Use Intensity that is lower than the current UC Energy Target. The proposed design takes full advantage of the local micro-climate to deliver improved environmental quality and better occupant comfort with natural ventilation. All power will be provided by 100 percent carbon-free power sourced from the University of California Wholesale power program. Natural gas would be served by the campus's allocation of bio-gas from the same UC program. (Refer to Attachment 8, Sustainable Practices and LEED™ Scorecard for more detailed information).

## **CALIFORNIA ENVIRONMENTAL QUALITY ACT COMPLIANCE**

Pursuant to the California Environmental Quality Act (CEQA), Addendum No. 5 to the 2018 LRDP Environmental Impact Report (EIR) (SCH#2016111019) has been prepared for the TD LLN (Attachment 12). 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 2018 LRDP EIR (Attachment 15).

### **KEY TO ACRONYMS:**

|      |                                      |
|------|--------------------------------------|
| ASF  | Assignable-Square-Foot               |
| CAG  | Community Advisory Group             |
| CEQA | California Environmental Quality Act |
| EIR  | Environmental Impact Report          |

|        |   |
|--------|---|
| FFE    | Funds Functioning as an Endowment                 |
| OGSF   | Outside-Gross-Square-Feet                         |
| LEED™  | Leadership in Energy and Environmental Design     |
| LJPH   | La Jolla Playhouse                                |
| LRDP   | Long Range Development Plan                       |
| PhDF   | Physical Design Framework                         |
| TD LLN | Theatre District Living and Learning Neighborhood |

**ATTACHMENTS:**

|                |  |
|----------------|--|
| Attachment 1:  | Project Sources and Uses   |
| Attachment 2:  | Comparable Project Information (5 Pages)   |
| Attachment 3:  | Summary of Financial Feasibility   |
| Attachment 4:  | 10-Year Financials: Campus & Auxiliary (Housing and Parking)   |
| Attachment 5:  | Project Location Map   |
| Attachment 6:  | Existing Project Site Map  |
| Attachment 7:  | <a href="#">Design Graphics</a>  |
| Attachment 8:  | <a href="#">Sustainable Practices and LEED Scorecard</a>   |
| Attachment 9:  | Proposed Area Summary  |
| Attachment 10: | Alternatives Considered  |
| Attachment 11: | Project Delivery Model   |
| Attachment 12: | Addendum No. 5 to the 2018 LRDP EIR for the Theatre District Living and Learning Neighborhood project:<br>Volume 1:<br><a href="https://drive.google.com/file/d/1o9LWJA6lvtUhF5D9g5nVVHEmlhyexL1a/view">https://drive.google.com/file/d/1o9LWJA6lvtUhF5D9g5nVVHEmlhyexL1a/view</a><br>Volume 2:<br><a href="https://drive.google.com/file/d/1eGMeSUqPKodRcwNZ01cm2rj9VmjMKWK4/view">https://drive.google.com/file/d/1eGMeSUqPKodRcwNZ01cm2rj9VmjMKWK4/view</a> |
| Attachment 13: | CEQA Findings for the Theatre District Living and Learning Neighborhood project  |
| Attachment 14: | UC San Diego 2018 Long Range Development Plan<br><a href="https://drive.google.com/file/d/1GSHfysEpMi2CcAVlZKo9xfKcXRoSWLdJ/view">https://drive.google.com/file/d/1GSHfysEpMi2CcAVlZKo9xfKcXRoSWLdJ/view</a>   |
| Attachment 15: | UC San Diego 2018 LRDP EIR<br><a href="https://plandesignbuild.ucsd.edu/planning/lrdp/la-jolla.html#Environmental-Impact-Report">https://plandesignbuild.ucsd.edu/planning/lrdp/la-jolla.html#Environmental-Impact-Report</a>  |

**PROJECT SOURCES AND USES – PAGE 1 OF 2**  
**THEATRE DISTRICT LIVING AND LEARNING NEIGHBORHOOD (CCCI 7456)**

| <b>PROJECT SOURCES</b>                             | <b>Total</b>         | <b>%</b>    |
|--|----------------------|-------------|
| External Financing                                 | \$644,000,000        | 99.8%       |
| Campus Funds (UCOP Housing Assistance Allocations) | \$1,000,000          | 0.2%        |
| <b>Total Sources</b>                               | <b>\$645,000,000</b> | <b>100%</b> |

| <b>USES</b>                          | <b>Student Housing</b> | <b>Non-Residential<sup>(a)</sup></b> | <b>Parking</b>     | <b>Public Realm Improvements</b> | <b>Total</b>         | <b>% of Total</b> |
|--------------------------------------|------------------------|--------------------------------------|--------------------|----------------------------------|----------------------|-------------------|
| <b>Cost Category</b>                 |                        |                                      |                    |                                  |                      |                   |
| Site Clearance <sup>(b)</sup>        | 585,000                | 32,000                               | 128,000            | 55,000                           | 800,000              | 0.1               |
| Building <sup>(c)</sup>              | 322,211,000            | 69,294,000                           | 74,857,000         | 609,000                          | 466,971,000          | 80.7              |
| Exterior Utilities <sup>(d)</sup>    | -                      | -                                    | -                  | 9,300,000                        | 9,300,000            | 1.6               |
| Site Development                     | 24,302,000             | 5,327,000                            | 5,655,000          | 748,000                          | 36,032,000           | 6.2               |
| A/E Fees                             | 20,367,000             | 4,285,000                            | 4,730,000          | 615,000                          | 29,997,000           | 5.2               |
| Campus Administration <sup>(e)</sup> | 5,852,000              | 266,000                              | 1,288,000          | 44,000                           | 7,450,000            | 1.3               |
| Surveys, Tests, Plans, Specs         | 3,427,000              | 163,000                              | 756,000            | 24,000                           | 4,370,000            | 0.8               |
| Special Items <sup>(f)</sup>         | 2,558,000              | 179,000                              | 3,583,000          | 60,000                           | 6,380,000            | 1.1               |
| Contingency                          | 13,200,000             | 980,000                              | 2,900,000          | 420,000                          | 17,500,000           | 3.0               |
| <b>Total P-W-C</b>                   | <b>392,502,000</b>     | <b>80,526,000</b>                    | <b>93,897,000</b>  | <b>11,875,000</b>                | <b>578,800,000</b>   | <b>100.0%</b>     |
| Groups 2 & 3 Equipment               | 12,240,000             | 5,020,000                            | 400,000            | -                                | 17,660,000           |                   |
| <b>Project Total Uses</b>            | <b>404,742,000</b>     | <b>85,546,000</b>                    | <b>94,297,000</b>  | <b>11,875,000</b>                | <b>596,460,000</b>   |                   |
| Interest During Construction         | 34,550,000             | 4,650,000                            | 8,160,000          | 1,180,000                        | 48,540,000           |                   |
| <b>Grand Total</b>                   | <b>439,292,000</b>     | <b>90,196,000</b>                    | <b>102,457,000</b> | <b>13,055,000</b>                | <b>\$645,000,000</b> |                   |

(a) Refer to Attachment 8, Proposed Area Summary for a detailed description of program that is included in "Non-Residential.

(b) Includes abatement of assumed quantity of hazardous materials in the utilities found beneath the existing surface parking lots and cost of the demolition; removal and proper disposal of some assumed quantity of contaminated soils.

(c) Includes Prime General Contractor costs within 5' of building perimeter, University Facilities Management, Security, and ITS costs, temporary utility costs, Builders Risk Insurance and UCIP."

(d) Exterior Utilities include connections to existing utility tunnel for a number of different systems including high temperature water, chilled water, and redundant telecommunications pathways.

(e) Campus Administration includes campus staff time for planning and management, plan reviews and construction inspection.

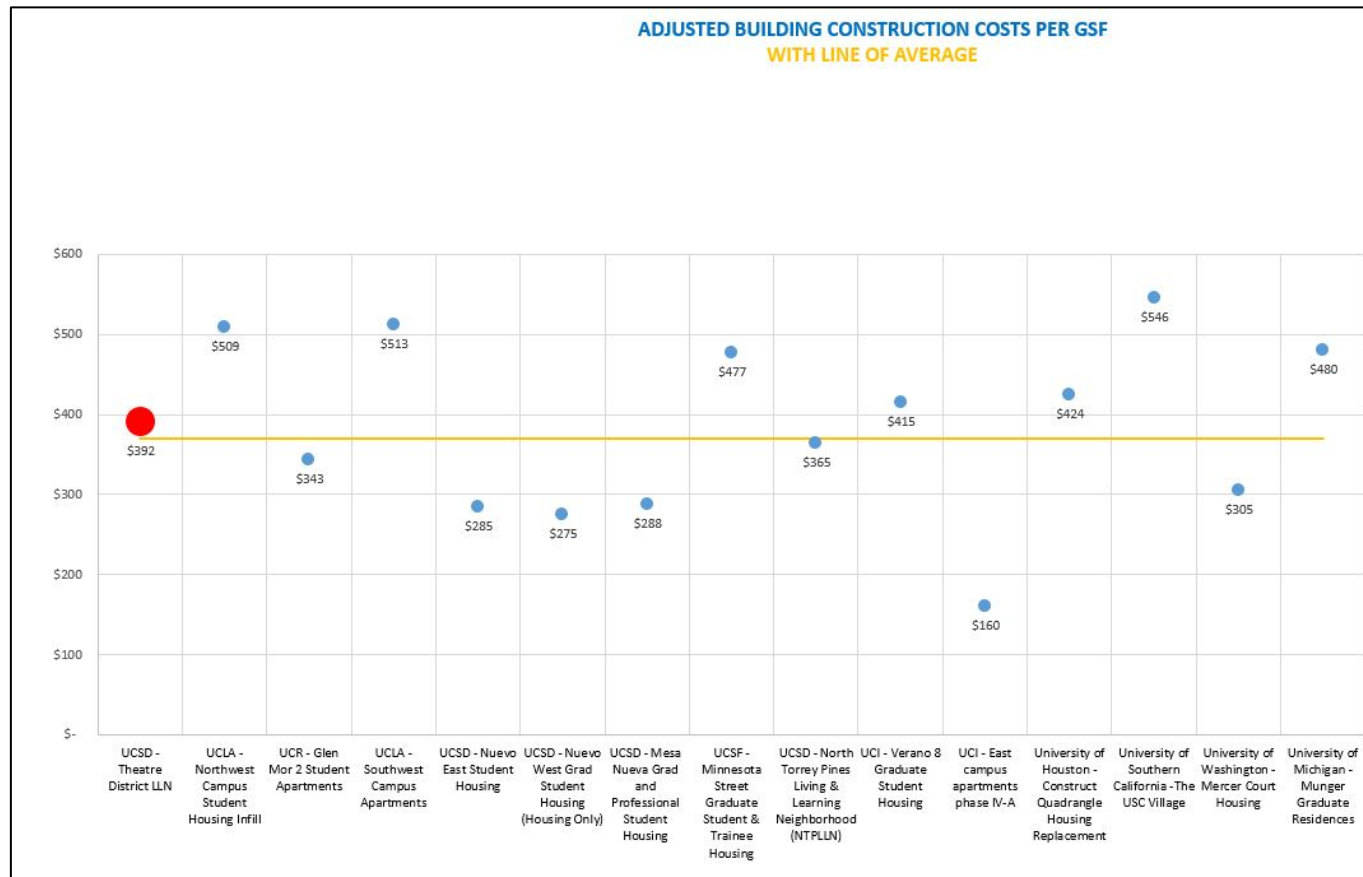
(f) Special Items includes progressive design build competition fees, detailed project program, pre-design studies, environmental documentation and monitoring, specialty consultants, commissioning, agency fees, and peer seismic reviews.

| <b>FUNDING SCHEDULE BY PHASE</b> |                      |
|----------------------------------|----------------------|
| Preliminary Plans                | 30,000,000           |
| Working Drawings                 | 45,000,000           |
| Construction                     | 503,800,000          |
| <b>Total P-W-C</b>               | <b>578,800,000</b>   |
| Financing Costs                  | 48,540,000           |
| Groups 2 & 3 Equipment           | 17,660,000           |
| <b>Total Project</b>             | <b>\$645,000,000</b> |

| <b>PROJECT STATISTICS</b>  | <b>Student Housing</b> | <b>Non-Residential</b> | <b>Total</b>         |
|--|------------------------|------------------------|----------------------|
| ASF <sup>(g)</sup>   | 574,000                | 71,000                 | 645,000              |
| OGSF <sup>(h)</sup>  | 823,000                | 106,000                | 929,000              |
| Total Number of Beds <sup>(i)</sup>  | 2,050                  | n/a                    | n/a                  |
| Total Number of Units <sup>(j)</sup>   | 324                    | n/a                    | n/a                  |
| Efficiency Ratio: ASF / OGSF   | 0.70                   | 0.67                   | n/a                  |
| Building Cost / OGSF   | \$392                  | \$654                  | n/a                  |
| Total PWC Cost / OGSF  | \$477                  | \$760                  | n/a                  |
| Grand Total Cost / OGSF  | \$534                  | \$851                  | n/a                  |
| Building Cost / Bed  | \$157,176              | n/a                    | n/a                  |
| Total PWC Cost / Bed   | \$191,464              | n/a                    | n/a                  |
| Grand Total Cost per Bed   | \$214,289              | n/a                    | n/a                  |
|  |                        |                        |                      |
| <b>Parking Structure</b>   |                        |                        | <b>Parking Total</b> |
| Number of Parking Spaces   | n/a                    | n/a                    | 1,200                |
| GSF  | n/a                    | n/a                    | 519,000              |
| Building Cost / GSF  | n/a                    | n/a                    | \$144                |
| Total PWC Cost / GSF   | n/a                    | n/a                    | \$181                |
| Grand Total Cost / GSF   | n/a                    | n/a                    | \$197                |
| Bldg. Cost / Parking Space   | n/a                    | n/a                    | \$62,381             |
| Grand Total Cost / Parking Space   | n/a                    | n/a                    | \$85,381             |
| (g) ASF is the Assignable Square Footage and represents the net usable area.   |                        |                        |                      |
| (h) OGSF (Outside Gross Square Footage) is the sum of all covered or roofed areas of a building located outside of the enclosed structure for all stories or areas that have floor surfaces. This area is calculated at 50% of the Covered Unenclosed Gross Area |                        |                        |                      |
| (i) Includes 2,000 undergraduate student beds (908 apartment beds and 1,092 residence hall beds), 42 beds for Resident Advisors (RA's), and 8 beds for professional/staff use.   |                        |                        |                      |
| (j) Includes 278 undergraduate units and 46 resident advisor and professional/staff use units.   |                        |                        |                      |

### COMPARABLE PROJECTS – PAGE 1 OF 5 – STUDENT HOUSING

Data Source: UCOP Housing Comparables Database for Higher Institutions. The 15 projects below were determined to be comparable to TD LLN if their GSF was within 60 percent of the OGSF of the proposed project. All comparable projects included in the UCOP Housing Database have been adjusted to account for location (RS Means City Cost Index) and date (RLB Construction Cost Index). Costs in this scatterplot and corresponding table on the next page exclude the following: Parking, Non-Residential Space and Public Realm Improvements. Comparables for Parking and Non-Residential are provided in subsequent graphs and tables. Data below for the proposed project includes Interest During Construction and Groups 2/3 Equipment (FF&E).



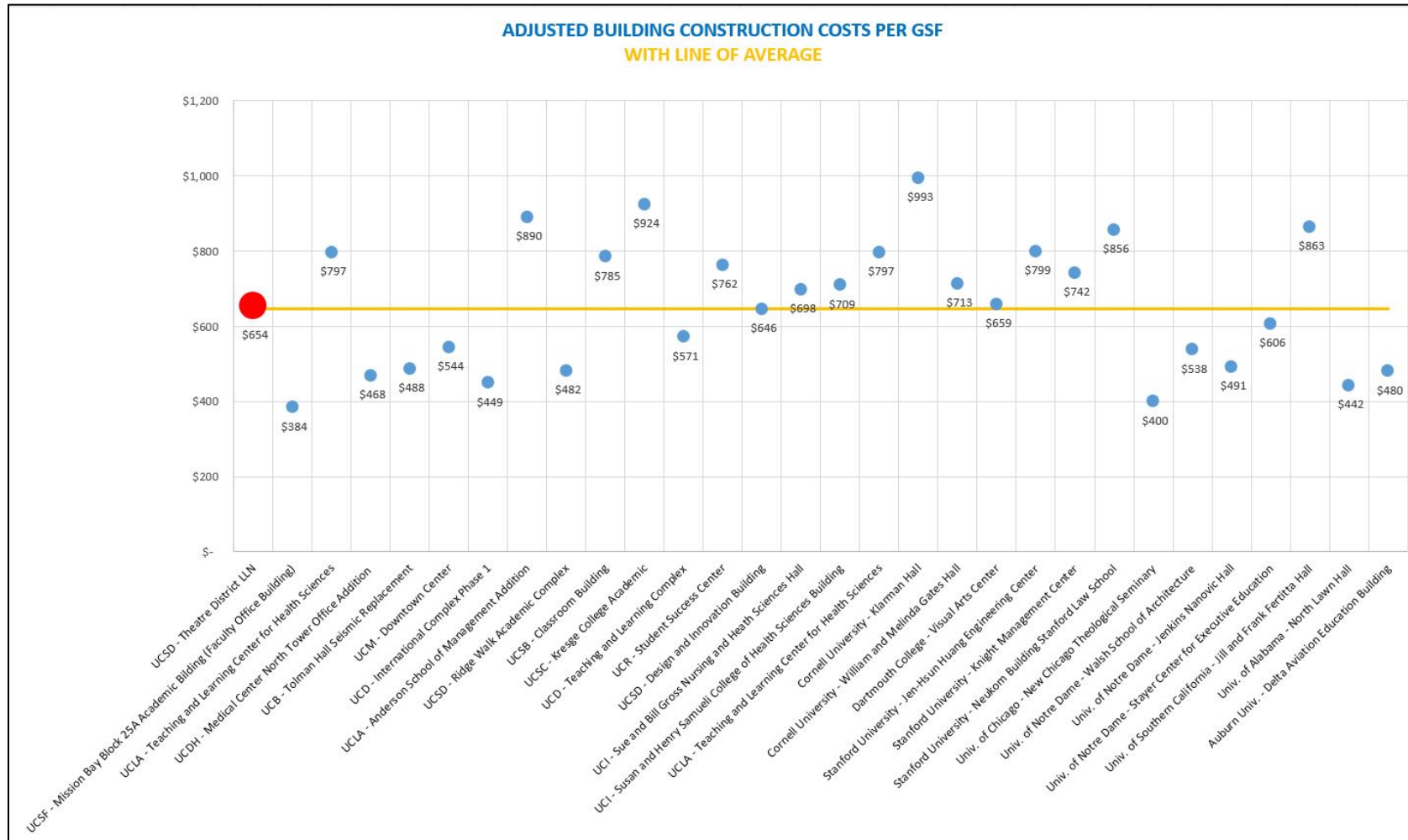


## COMPARABLE PROJECTS – PAGE 2 OF 5 – STUDENT HOUSING

| #  | Project Name   | City/ Campus  | GSF       | Md. Pt. Const Yr | Beds | Units | 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 / Bed** | Adj. Total Project Cost/ Bed** |           |    |         |
|----|--|---------------|-----------|------------------|------|-------|-----------------------------|----------------------|----------------------------|---------------------|--------------------------|--------------------------------|----------------------------|--------------------------------|-----------|----|---------|
|    |  |               |           |                  |      |       | COMP AVERAGES               | \$                   | 369                        |                     |                          | \$                             | 491                        | \$                             | 161,913   | \$ | 217,170 |
| 1  | UCSD - Theatre District LLN  | San Diego     | 823,000   | 2022             | 2050 | 324   | \$322,211,000               |                      | \$ 392                     | \$439,292,000       |                          | \$ 534                         | \$157,176                  |                                | \$214,289 |    |         |
| 2  | UCLA - Northwest Campus Student Housing Infill                             | Los Angeles   | 503,175   | 2012             | 1511 | 769   | \$179,652,000               | \$256,252,000        | \$ 509                     | \$224,927,000       | \$320,831,000            | \$ 638                         | \$ 169,591                 | \$ 212,330                     |           |    |         |
| 3  | UCR - Glen Mor 2 Student Apartments  | Riverside     | 334,187   | 2012             | 814  | 232   | \$ 78,822,000               | \$114,573,000        | \$ 343                     | \$126,400,000       | \$183,732,000            | \$ 550                         | \$ 140,753                 | \$ 225,715                     |           |    |         |
| 4  | UCLA - Southwest Campus Apartments   | Los Angeles   | 563,200   | 2020             | 2279 | 358   | \$287,890,000               | \$288,647,000        | \$ 513                     | \$354,249,000       | \$355,180,000            | \$ 631                         | \$ 126,655                 | \$ 155,849                     |           |    |         |
| 5  | UCSD - Nuevo East Student Housing  | San Diego     | 729,300   | 2019             | 1374 | 653   | \$191,972,000               | \$207,841,000        | \$ 285                     | \$254,446,000       | \$275,479,000            | \$ 378                         | \$ 151,267                 | \$ 200,494                     |           |    |         |
| 6  | UCSD - Nuevo West Grad Student Housing (Housing Only)                      | San Diego     | 401,909   | 2018             | 804  | 0     | \$ 99,594,000               | \$110,623,000        | \$ 275                     | \$131,957,000       | \$146,570,000            | \$ 365                         | \$ 137,591                 | \$ 182,301                     |           |    |         |
| 7  | UCSD - Mesa Nueva Grad and Professional Student Housing                    | San Diego     | 607,083   | 2016             | 1355 | 0     | \$143,789,000               | \$175,062,000        | \$ 288                     | \$187,838,000       | \$228,692,000            | \$ 377                         | \$ 129,197                 | \$ 168,776                     |           |    |         |
| 8  | UCSF - Minnesota Street Graduate Student & Trainee Housing                 | San Francisco | 331,000   | 2018             | 706  | 595   | \$163,925,000               | \$158,052,000        | \$ 477                     | \$223,843,000       | \$215,824,000            | \$ 652                         | \$ 223,870                 | \$ 305,700                     |           |    |         |
| 9  | UCSD - North Torrey Pines Living & Learning Neighborhood (NTPLLN)          | San Diego     | 816,000   | 2019             | 2048 | 407   | \$274,981,000               | \$297,712,000        | \$ 365                     | \$391,376,000       | \$423,729,000            | \$ 519                         | \$ 145,367                 | \$ 206,899                     |           |    |         |
| 10 | UCI - Verano 8 Graduate Student Housing                                    | Irvine        | 421,715   | 2021             | 1050 | 409   | \$175,092,000               | \$175,132,000        | \$ 415                     | \$240,398,000       | \$240,453,000            | \$ 570                         | \$ 166,792                 | \$ 229,003                     |           |    |         |
| 11 | UCI - East campus apartments phase IV-A                                    | Irvine        | 580,000   | 2018             | 1441 | 410   | \$ 82,940,000               | \$ 92,817,000        | \$ 160                     | \$147,320,000       | \$164,864,000            | \$ 284                         | \$ 64,412                  | \$ 114,409                     |           |    |         |
| 12 | University of Houston - Construct Quadrangle Housing Replacement           | Houston       | 336,127   | 2019             | 1189 | 0     | \$105,523,400               | \$142,596,000        | \$ 424                     | \$124,000,000       | \$167,563,000            | \$ 499                         | \$ 119,929                 | \$ 140,928                     |           |    |         |
| 13 | University of Southern California -The USC Village                         | Los Angeles   | 1,200,000 | 2016             | 2460 | 0     | \$535,680,000               | \$654,971,000        | \$ 546                     | \$631,548,000       | \$772,188,000            | \$ 643                         | \$ 266,248                 | \$ 313,898                     |           |    |         |
| 14 | University of Washington - Mercer Court Housing                            | Seattle       | 460,000   | 2012             | 926  | 0     | \$ 95,813,400               | \$140,207,000        | \$ 305                     | \$113,344,000       | \$165,860,000            | \$ 361                         | \$ 151,411                 | \$ 179,114                     |           |    |         |
| 15 | University of Michigan - Munger Graduate Residences                        | Ann Arbor     | 380,000   | 2014             | 634  | 0     | \$130,849,200               | \$182,560,000        | \$ 480                     | \$184,999,200       | \$258,110,000            | \$ 679                         | \$ 287,950                 | \$ 407,114                     |           |    |         |
| 16 | University of Texas, Dallas - University Housing Living Learning Center #4 | Richardson    | 590,000   | 2013             | 600  | 0     | \$ 51,400,000               | \$ 88,596,000        | \$ 150                     | \$ 74,850,000       | \$129,016,000            | \$ 219                         | \$ 147,660                 | \$ 215,027                     |           |    |         |

## COMPARABLE PROJECT INFORMATION – PAGE 3 OF 5 – CLASSROOM & ADMINISTRATION (NON-RESIDENTIAL)

Data Source: UCOP Parking Comparables Database for Higher Institutions. The 30 projects included below were determined to be comparable if their GSF was within 60 percent of the OGSF of the proposed project. All comparable projects included in the UCOP Parking Database have been adjusted to account for location (RS Means City Cost Index) and date (RLB Construction Cost Index). Data below for the proposed project includes Interest During Construction and Groups 2/3 Equipment (FF&E).



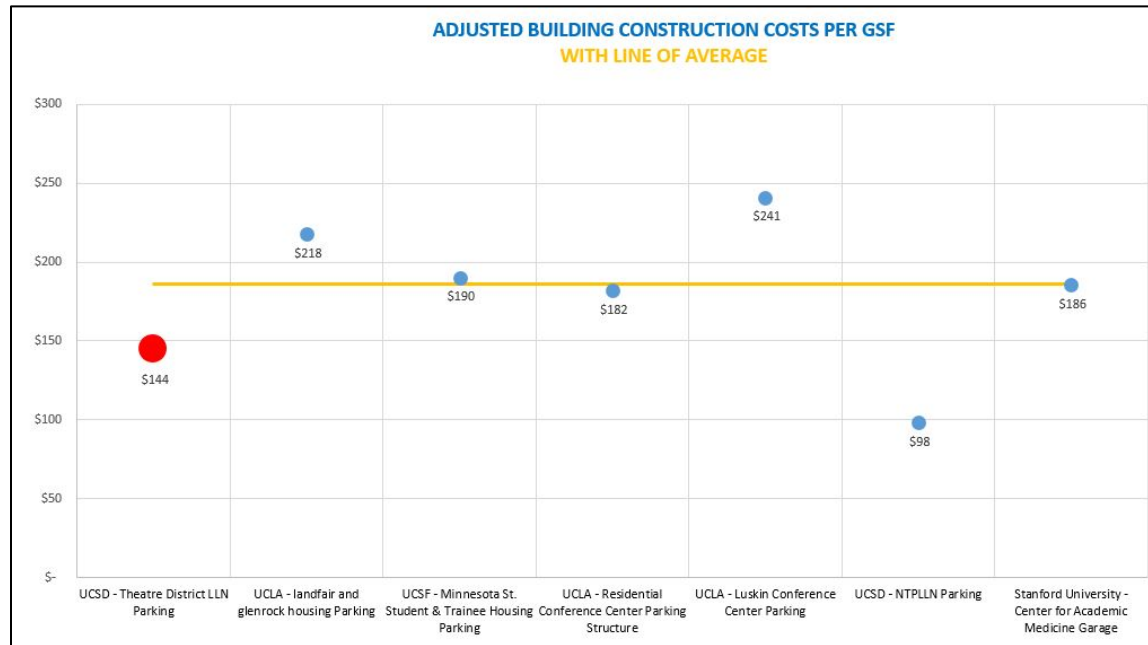


**COMPARABLE PROJECT INFORMATION – PAGE 4 OF 5 – CLASSROOM & ADMINISTRATION  
(NON-RESIDENTIAL)**

| #        | Project Name   | City/ Campus     | GSF           | Md. Pt.<br>Const<br>Yr | Building<br>Construction<br>Cost* | Adj. Building<br>Cost** | Adj.<br>Building<br>Cost /<br>GSF** | Total Project<br>Cost* | Adj.Total Project<br>Cost** | Adj. Total<br>Project<br>Cost/ GSF** |
|----------|--|------------------|---------------|------------------------|-----------------------------------|-------------------------|-------------------------------------|------------------------|-----------------------------|--------------------------------------|
|          |  |                  |               |                        |                                   | <b>AVERAGES</b>         | <b>\$ 647</b>                       |                        |                             | <b>\$ 876</b>                        |
| <b>1</b> | <b>UCSD - Theatre District LLN</b>                                   | <b>San Diego</b> | <b>106000</b> | <b>2022</b>            | <b>\$ 69,294,000</b>              |                         | <b>\$ 654</b>                       | <b>\$ 90,196,000</b>   |                             | <b>\$ 851</b>                        |
| 2        | UCSF - Mission Bay Block 25A Academic Bldg (Faculty Office Building) | San Francisco    | 251,000       | 2013                   | \$ 79,397,000                     | \$ 96,433,000           | \$ 384                              | \$ 118,600,000         | \$ 144,048,000              | \$ 574                               |
| 3        | UCLA - Teaching and Learning Center for Health Sciences              | Los Angeles      | 110,000       | 2015                   | \$ 68,414,000                     | \$ 87,616,000           | \$ 797                              | \$ 94,644,000          | \$ 121,208,000              | \$ 1,102                             |
| 4        | UCDH - Medical Center North Tower Office Addition                    | Davis            | 130,000       | 2018                   | \$ 55,760,000                     | \$ 60,799,000           | \$ 468                              | \$ 87,500,000          | \$ 95,407,000               | \$ 734                               |
| 5        | UCB - Tolman Hall Seismic Replacement                                | Berkeley         | 325,000       | 2014                   | \$ 130,826,000                    | \$ 158,443,000          | \$ 488                              | \$ 185,000,000         | \$ 224,052,000              | \$ 689                               |
| 6        | UCM - Downtown Center  | Merced           | 67,400        | 2016                   | \$ 31,232,000                     | \$ 36,663,000           | \$ 544                              | \$ 45,116,000          | \$ 52,961,000               | \$ 786                               |
| 7        | UCD - International Complex Phase 1                                  | Davis            | 55,305        | 2015                   | \$ 20,202,000                     | \$ 24,830,000           | \$ 449                              | \$ 29,837,000          | \$ 36,672,000               | \$ 663                               |
| 8        | UCLA - Anderson School of Management Addition                        | Los Angeles      | 63,750        | 2018                   | \$ 52,408,000                     | \$ 56,708,000           | \$ 890                              | \$ 70,835,000          | \$ 76,646,000               | \$ 1,202                             |
| 9        | UCSD - Ridge Walk Academic Complex                                   | San Diego        | 195,000       | 2019                   | \$ 88,034,000                     | \$ 94,077,000           | \$ 482                              | \$ 118,138,000         | \$ 126,248,000              | \$ 647                               |
| 10       | UCSB - Classroom Building  | Santa Barbara    | 95,048        | 2022                   | \$ 75,005,000                     | \$ 74,574,000           | \$ 785                              | \$ 97,133,000          | \$ 96,575,000               | \$ 1,016                             |
| 11       | UCSC - Kresge College Academic                                       | Santa Cruz       | 36,000        | 2020                   | \$ 35,000,000                     | \$ 33,258,000           | \$ 924                              | \$ 44,920,000          | \$ 42,684,000               | \$ 1,186                             |
| 12       | UCD - Teaching and Learning Complex                                  | Davis            | 100,000       | 2021                   | \$ 59,000,000                     | \$ 57,110,000           | \$ 571                              | \$ 86,337,000          | \$ 83,571,000               | \$ 836                               |
| 13       | UCR - Student Success Center   | Riverside        | 57,000        | 2020                   | \$ 42,587,000                     | \$ 43,422,000           | \$ 762                              | \$ 60,430,000          | \$ 61,614,000               | \$ 1,081                             |
| 14       | UCSD - Design and Innovation Building                                | San Diego        | 71,000        | 2020                   | \$ 44,317,000                     | \$ 45,845,000           | \$ 646                              | \$ 67,000,000          | \$ 69,310,000               | \$ 976                               |
| 15       | UCI - Sue and Bill Gross Nursing and Health Sciences Hall            | Irvine           | 71,500        | 2021                   | \$ 49,447,000                     | \$ 49,879,000           | \$ 698                              | \$ 72,000,000          | \$ 72,630,000               | \$ 1,016                             |
| 16       | UCI - Susan and Henry Samueli College of Health Sciences Building    | Irvine           | 108,200       | 2021                   | \$ 76,037,000                     | \$ 76,702,000           | \$ 709                              | \$ 113,000,000         | \$ 113,988,000              | \$ 1,053                             |
| 17       | UCLA - Teaching and Learning Center for Health Sciences              | Los Angeles      | 110,000       | 2015                   | \$ 68,414,000                     | \$ 87,616,000           | \$ 797                              | \$ 94,644,000          | \$ 121,208,000              | \$ 1,102                             |
| 18       | Cornell University - Klarman Hall                                    | Ithaca           | 67,511        | 2014                   | \$ 45,332,961                     | \$ 67,068,000           | \$ 993                              | \$ 62,701,516          | \$ 92,764,000               | \$ 1,374                             |
| 19       | Cornell University - William and Melinda Gates Hall                  | Ithaca           | 100,455       | 2013                   | \$ 45,162,560                     | \$ 71,622,000           | \$ 713                              | \$ 59,423,152          | \$ 94,238,000               | \$ 938                               |
| 20       | Dartmouth College - Visual Arts Center                               | Hanover          | 106,000       | 2011                   | \$ 32,807,000                     | \$ 69,803,000           | \$ 659                              | \$ 57,536,800          | \$ 122,420,000              | \$ 1,155                             |
| 21       | Stanford University - Jen-Hsun Huang Engineering Center              | Stanford         | 126,227       | 2009                   | \$ 71,871,129                     | \$ 100,860,000          | \$ 799                              | \$ 92,760,435          | \$ 130,175,000              | \$ 1,031                             |
| 22       | Stanford University - Knight Management Center                       | Stanford         | 419,000       | 2009                   | \$ 221,613,290                    | \$ 311,000,000          | \$ 742                              | \$ 301,625,530         | \$ 423,284,000              | \$ 1,010                             |
| 23       | Stanford University - Neukom Building Stanford Law School            | Stanford         | 68,226        | 2010                   | \$ 40,239,695                     | \$ 58,422,000           | \$ 856                              | \$ 60,704,084          | \$ 88,134,000               | \$ 1,292                             |
| 24       | Univ. of Chicago - New Chicago Theological Seminary                  | Chicago          | 80,488        | 2011                   | \$ 23,844,570                     | \$ 32,179,000           | \$ 400                              | \$ 29,428,023          | \$ 39,714,000               | \$ 493                               |
| 25       | Univ. of Notre Dame - Walsh School of Architecture                   | Notre Dame       | 97,232        | 2017                   | \$ 36,729,903                     | \$ 52,271,000           | \$ 538                              | \$ 44,459,847          | \$ 63,271,000               | \$ 651                               |
| 26       | Univ. of Notre Dame - Jenkins Nanovic Hall                           | Notre Dame       | 181,440       | 2016                   | \$ 61,865,597                     | \$ 89,159,000           | \$ 491                              | \$ 73,806,163          | \$ 106,367,000              | \$ 586                               |
| 27       | Univ. of Notre Dame - Stayer Center for Executive Education          | Notre Dame       | 63,566        | 2012                   | \$ 23,305,838                     | \$ 38,544,000           | \$ 606                              | \$ 29,200,313          | \$ 48,292,000               | \$ 760                               |
| 28       | Univ. of Southern California - Jill and Frank Fertitta Hall          | Los Angeles      | 104,555       | 2015                   | \$ 70,474,252                     | \$ 90,254,000           | \$ 863                              | \$ 79,959,482          | \$ 102,402,000              | \$ 979                               |
| 29       | Univ. of Alabama - North Lawn Hall                                   | Tuscaloosa       | 90,225        | 2015                   | \$ 26,788,000                     | \$ 39,867,000           | \$ 442                              | \$ 31,982,000          | \$ 47,597,000               | \$ 528                               |
| 30       | Auburn Univ. - Delta Aviation Education Building                     | Auburn           | 47,756        | 2018                   | \$ 15,701,218                     | \$ 22,925,000           | \$ 480                              | \$ 17,400,000          | \$ 25,405,000               | \$ 532                               |

### COMPARABLE PROJECT INFORMATION – PAGE 5 OF 5 – PARKING

Data Source: UCOP Parking Comparables Database for Higher Institutions. The six projects included below were determined to be comparable if their GSF was within 60 percent of the GSF of the proposed project. All comparable projects included in the UCOP Parking Database have been adjusted to account for location (RS Means City Cost Index) and date (RLB Construction Cost Index). Data below for the proposed project includes Interest During Construction and Groups 2/3 Equipment (FF&E).



| # | 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               |                      | \$ 186                     |                     | \$ 244                   | \$ 67,305                      | \$ 87,942                   |                                 |
| 1 | UCSD - Theatre District LLN Parking                       | San Diego     | 519000 | 2022             | 1200   | \$ 74,857,000               |                      | \$ 144                     | \$ 102,457,000      |                          | \$ 197                         | \$ 62,381                   | \$ 85,381                       |
| 2 | UCLA - landfair and glenrock housing Parking              | Los Angeles   | 66496  | 2013             | 148    | \$ 10,507,000               | \$ 14,473,000        | \$ 218                     | \$ 13,456,000       | \$ 18,536,000            | \$ 279                         | \$ 97,791                   | \$ 125,243                      |
| 3 | UCSF - Minnesota St. Student & Trainee Housing Parking    | San Francisco | 44000  | 2018             | 137    | \$ 8,680,000                | \$ 8,369,000         | \$ 190                     | \$ 11,257,000       | \$ 10,854,000            | \$ 247                         | \$ 61,088                   | \$ 79,226                       |
| 4 | UCLA - Residential Conference Center Parking Structure    | Los Angeles   | 80862  | 2013             | 263    | \$ 10,683,000               | \$ 14,716,000        | \$ 182                     | \$ 16,945,000       | \$ 23,342,000            | \$ 289                         | \$ 55,954                   | \$ 88,753                       |
| 5 | UCLA - Luskin Conference Center Parking                   | Los Angeles   | 42000  | 2015             | 125    | \$ 7,807,000                | \$ 10,120,000        | \$ 241                     | \$ 10,483,000       | \$ 13,588,000            | \$ 324                         | \$ 80,960                   | \$ 108,704                      |
| 6 | UCSD - NTPLLN Parking                                     | San Diego     | 544300 | 2019             | 1250   | \$ 50,068,000               | \$ 53,505,000        | \$ 98                      | \$ 65,188,000       | \$ 69,663,000            | \$ 128                         | \$ 42,804                   | \$ 55,730                       |
| 7 | Stanford University - Center for Academic Medicine Garage | Stanford      | 290787 | 2018             | 827    | \$ 51,760,086               | \$ 53,946,000        | \$ 186                     | \$ 55,540,317       | \$ 57,885,000            | \$ 199                         | \$ 65,231                   | \$ 69,994                       |

## SUMMARY OF FINANCIAL FEASIBILITY – PAGE 1 OF 2

| San Diego Campus  |               |
|---|---------------|
| Project Name  | TD LLN        |
| UCOP Project #  | 963040        |
| Total Estimated Project Costs   | \$645,000,000 |
| Anticipated Interest During Construction (included in estimated project cost) | \$48,540,000  |

| Proposed Sources of Funding                         |                      |
|---|----------------------|
| External Financing – Tax-Exempt (Non-Residential)   | \$103,251,000        |
| External Financing – Tax-Exempt (Housing & Parking) | \$540,749,000        |
| Campus Fund – UCOP Housing Assistance Allocation    | \$1,000,000          |
| <b>Sources of Funding Total</b>                     | <b>\$645,000,000</b> |

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

| Financing Assumptions – Non-Residential |  |
|---|--|
| External Financing Amount               | \$103,251,000                            |
| Anticipated Repayment Source            | General Revenues of the San Diego Campus |
| Anticipated Fund Source                 | Campus Funds                             |
| Financial Feasibility Rate              | 6.0%                                     |
| First Year of Principal (e.g. year 10)  | FY 2026                                  |
| Term (e.g. 30 years)                    | 35 years (2 years interest only)         |
| Final Maturity                          | FY 2058                                  |
| Estimated Average Annual Debt Service   | \$7,256,000                              |

| Financing Assumptions – Housing & Parking |  |
|---|--|
| External Financing Amount                 | \$540,749,000                            |
| Anticipated Repayment Source              | General Revenues of the San Diego Campus |
| Anticipated Fund Source                   | Housing and Parking Revenues             |
| Financial Feasibility Rate                | 6.0%                                     |
| First Year of Principal (e.g. year 10)    | FY 2026                                  |
| Term (e.g. 30 years)                      | 35 years (2 years interest only)         |
| Final Maturity                            | FY 2058                                  |
| Estimated Average Annual Debt Service     | \$38,000,000                             |

*Below are results of the financial feasibility analysis for the proposed project using the campus' Debt Affordability Model. The model includes projections of the campus's operations and planned financings.*

| CAMPUS FINANCING BENCHMARKS               |                     |                    |                  |
|---|---------------------|--------------------|------------------|
| Measure                                   | 10 Year Projections | Approval Threshold | Requirement      |
| Modified Cash Flow Margin <sup>1</sup>    | 3.3% min (FY 2030)  | ≥ 0.0%             | Must Meet        |
| Debt Service to Operations <sup>1</sup>   | 5.9% max (FY 2024)  | ≤ 6.0%             | Must Meet 1 of 2 |
| Expendable Resources to Debt <sup>1</sup> | n/a                 | ≥ 1.00x            |                  |

## ATTACHMENT 3

|   |                             |         |                                  |
|---|-----------------------------|---------|----------------------------------|
| Auxiliary Project Debt Service Coverage <sup>1, 2</sup>   | Housing .72x min (FY 2026)  | ≥ 1.10x | Must Meet for Auxiliary Projects |
|   | Parking .75x min (FY 2026)  |         |                                  |
| Auxiliary System Debt Service Coverage <sup>1,3</sup>   | Housing .98x min (FY 2022)  | ≥ 1.25x | Must Meet for Auxiliary Projects |
|   | Parking 1.20x min (FY 2024) |         |                                  |
| <u>Notes:</u><br><sup>1</sup> Modified Cash Flow Margin, Debt Service to Operations, and Expendable Resources to Debt are campus metrics.<br><sup>2</sup> Auxiliary Project Debt Service Coverage is an individual project metric. This project does not meet the minimum 1.10x requirement at the planning rate and an exception to the University's Debt Policy has been granted by the Office of the Chief Financial Officer as the campus has demonstrated its plans to service the debt from overall housing program revenues if necessary and to meet the required minimum project debt service coverage ratio over time.<br><sup>3</sup> Auxiliary System Debt Service Coverage is a campus' auxiliary system metric. The campus does not meet the minimum 1.25x requirement at the planning rate and an exception to the University's Debt Policy has been granted by the Office of the Chief Financial Officer as the campus has demonstrated that the auxiliary system is projected to meet the required debt service coverage ratio over time. |                             |         |                                  |



**10-YEAR FINANCIAL FORECAST – PAGE 1 OF 3**

| UC San Diego FY2020-2030  |           |           |           |           |           |           |           |           |           |           |           |
|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Campuswide Revenues and Expenditures  |           |           |           |           |           |           |           |           |           |           |           |
|   | Projected | Forecast  |           |           |           |           |           |           |           |           |           |
|   | 2020      | 2021      | 2022      | 2023      | 2024      | 2025      | 2026      | 2027      | 2028      | 2029      | 2030      |
| Operating Revenues  | 2,853,802 | 2,989,557 | 3,174,690 | 3,266,234 | 3,412,763 | 3,514,866 | 3,617,669 | 3,728,496 | 3,837,794 | 3,951,118 | 4,068,366 |
| Operating Expenses  | 3,649,589 | 3,727,554 | 3,835,949 | 3,954,005 | 4,088,661 | 4,209,816 | 4,347,571 | 4,490,123 | 4,637,549 | 4,791,645 | 4,951,259 |
| Total Net Operating Income (Loss)   | (795,787) | (737,997) | (661,259) | (687,770) | (675,899) | (694,951) | (729,902) | (761,627) | (799,755) | (840,526) | (882,893) |
| NonOperating Revenues   | 662,930   | 647,836   | 662,458   | 677,473   | 692,892   | 708,727   | 724,988   | 741,686   | 758,833   | 776,442   | 794,524   |
| NonOperating Expenses   | (91,354)  | (122,955) | (126,195) | (130,115) | (165,381) | (162,157) | (158,631) | (154,714) | (150,538) | (146,102) | (141,432) |
| Income (Loss) Before Other Change Net Assets  | (224,211) | (213,116) | (124,996) | (140,412) | (148,387) | (148,381) | (163,546) | (174,656) | (191,460) | (210,186) | (229,802) |
| Plus: Depreciation Expense  | 211,982   | 218,342   | 224,892   | 231,639   | 238,588   | 245,746   | 253,118   | 260,711   | 268,533   | 276,589   | 284,886   |
| Less: Debt Service Adjustments  | (59,182)  | (64,627)  | (84,055)  | (86,858)  | (84,281)  | (90,933)  | (93,769)  | (97,735)  | (101,511) | (105,983) | (107,530) |
| Plus: Other Revenue Support <sup>a</sup>  | 230,625   | 221,058   | 221,058   | 221,058   | 221,058   | 221,058   | 221,058   | 221,058   | 221,058   | 221,058   | 221,058   |
| Income Available for Modified Cash Flow Margin  | 159,214   | 161,657   | 236,899   | 225,427   | 226,979   | 227,490   | 216,861   | 209,379   | 196,620   | 181,478   | 168,613   |
| Adjusted Operating Revenues   | 3,747,357 | 3,858,452 | 4,058,206 | 4,164,766 | 4,326,713 | 4,444,651 | 4,563,715 | 4,691,240 | 4,817,686 | 4,948,619 | 5,083,948 |
| Operating Cash Flow Margin  | 4.2%      | 4.2%      | 5.8%      | 5.4%      | 5.2%      | 5.1%      | 4.8%      | 4.5%      | 4.1%      | 3.7%      | 3.3%      |
| Adjusted Operating Expenses   | 3,740,943 | 3,850,510 | 3,962,144 | 4,084,119 | 4,254,042 | 4,371,974 | 4,506,202 | 4,644,837 | 4,788,088 | 4,937,746 | 5,092,692 |
| Debt Service to Operations @ 6% planning rate   | 4.0%      | 4.9%      | 5.3%      | 5.3%      | 5.9%      | 5.8%      | 5.6%      | 5.4%      | 5.3%      | 5.1%      | 4.9%      |
| a. Health System Support plus Revenue transfers from Office of the President (State Lottery Funds, Assessment funding, etc.)  |           |           |           |           |           |           |           |           |           |           |           |
| Notes   |           |           |           |           |           |           |           |           |           |           |           |
| 1. Excludes Medical Center  |           |           |           |           |           |           |           |           |           |           |           |
| 2. Reflects anticipated recurring state appropriation and auxiliary revenue reductions beginning FY21. Assumes a comparable level of expenditure reductions, both in operating and non-operating commitments. |           |           |           |           |           |           |           |           |           |           |           |
| 3. Includes cash and/or debt service commitments for an additional \$374.5M in previously approved and \$1.3B in proposed, primarily Housing, capital projects.   |           |           |           |           |           |           |           |           |           |           |           |

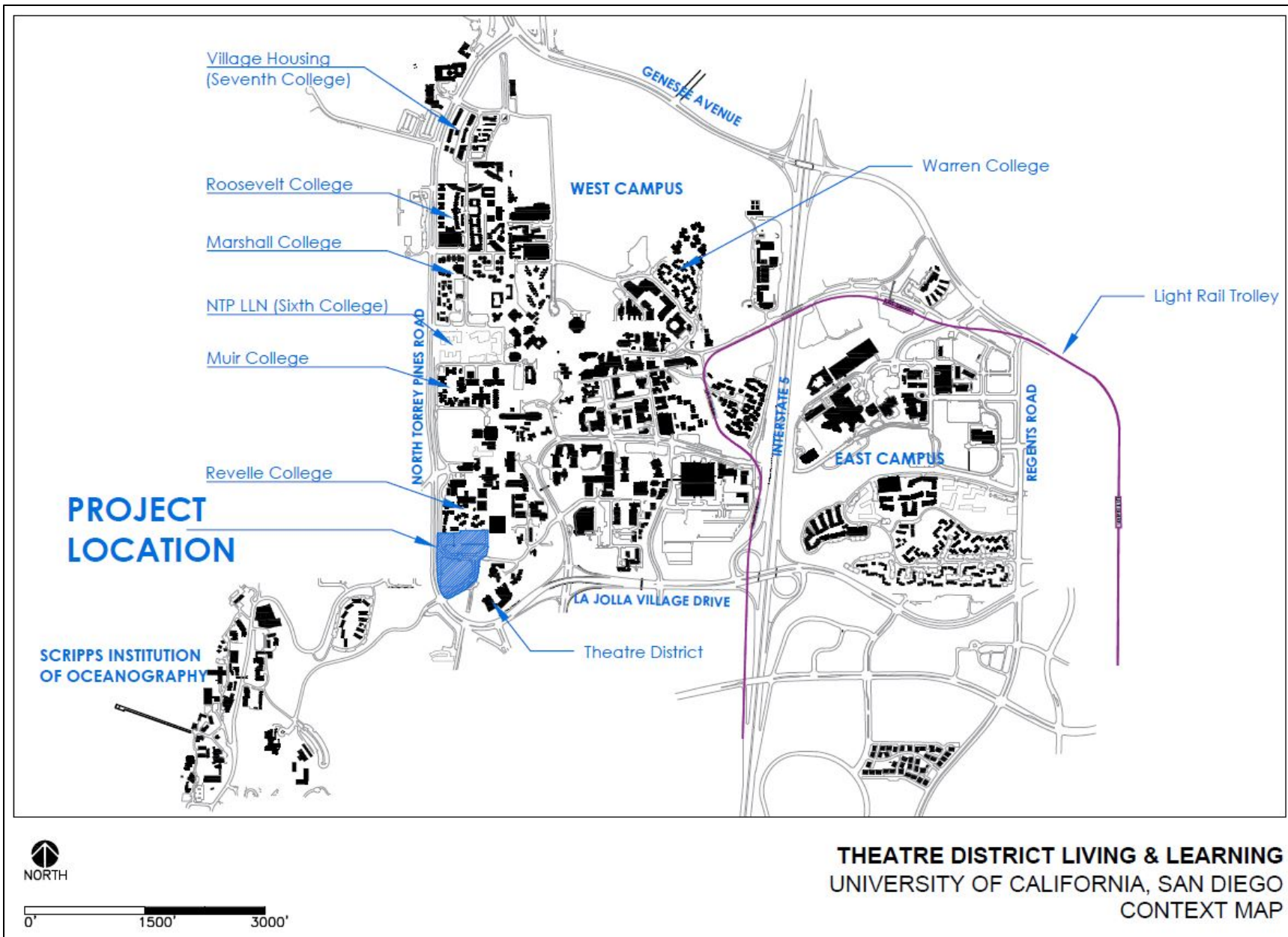
**10-YEAR FINANCIAL FORECAST – PAGE 2 OF 3**

| Housing, Dining & Hospitality  |                      |                                      |   |   |                                 |                                 |                                 |                                 |                                     |                                     |                                     |  |
|--|----------------------|--------------------------------------|---|---|---------------------------------|---------------------------------|---------------------------------|---------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|--|
|  | Projected            | Forecast                             |   |   |                                 |                                 |                                 |                                 |                                     |                                     |                                     |  |
|  | 2020                 | 2021                                 | 2022  | 2023  | 2024                            | 2025                            | 2026                            | 2027                            | 2028                                | 2029                                | 2030                                |  |
| Operating Revenues   | 157,800              | 227,900                              | 253,500   | 265,500   | 306,000                         | 320,200                         | 335,200                         | 350,900                         | 367,400                             | 384,800                             | 402,900                             |  |
| Operating Expenses   | 125,800              | 146,400                              | 158,600   | 166,800   | 187,800                         | 194,400                         | 203,800                         | 211,200                         | 218,900                             | 227,100                             | 235,300                             |  |
| Total Net Operating Income (Loss)  | 32,000               | 81,500                               | 94,900  | 98,700  | 118,200                         | 125,800                         | 131,400                         | 139,700                         | 148,500                             | 157,700                             | 167,600                             |  |
| NonOperating Revenue (Expense)   | (31,700)             | 17,900                               | (3,000)   | (7,600)   | (2,900)                         | (3,100)                         | (7,000)                         | (8,400)                         | (25,800)                            | (11,600)                            | (23,000)                            |  |
| Debt Service   | (49,200)             | (82,800)                             | (97,200)  | (97,000)  | (109,700)                       | (109,600)                       | (115,200)                       | (115,400)                       | (115,200)                           | (115,500)                           | (115,500)                           |  |
| Other NonOperating Revenue (Expense)   | (80,900)             | (64,900)                             | (100,200)   | (104,600)   | (112,600)                       | (112,700)                       | (122,200)                       | (123,800)                       | (141,000)                           | (127,100)                           | (138,500)                           |  |
| Total Income (Loss)  | (48,900)             | 16,600                               | (5,300)   | (5,900)   | 5,600                           | 13,100                          | 9,200                           | 15,900                          | 7,500                               | 30,600                              | 29,100                              |  |
| Operating Cash Flow Margin   | -31.0%               | 7.3%                                 | -2.1%   | -2.2%   | 1.8%                            | 4.1%                            | 2.7%                            | 4.5%                            | 2.0%                                | 8.0%                                | 7.2%                                |  |
| Auxiliary Debt Service Coverage Ratio @ 3%   | 0.65                 | 0.98                                 | 0.98  | 1.02  | 1.08                            | 1.15                            | 1.14                            | 1.21                            | 1.29                                | 1.37                                | 1.45                                |  |
| Impacts:   | Covid Related Losses | Covid Related Losses + Decompression | Decompression + Debt Service for New Construction | Decompression + Debt Service for New Construction | Payback Pandemic Created Losses | Payback Pandemic Created Losses | Payback Pandemic Created Losses | Payback Pandemic Created Losses | Re-instate Deferred Maint. Projects | Re-instate Deferred Maint. Projects | Re-instate Deferred Maint. Projects |  |
| Notes:   |                      |                                      |   |   |                                 |                                 |                                 |                                 |                                     |                                     |                                     |  |
| 1. COVID losses to be covered by accumulated auxiliary reserves and/or general campus funds, if needed.  |                      |                                      |   |   |                                 |                                 |                                 |                                 |                                     |                                     |                                     |  |
| 2. Reflects the permanent removal of 2,075 triples beginning FY2021 (\$25M recurring revenue impact).  |                      |                                      |   |   |                                 |                                 |                                 |                                 |                                     |                                     |                                     |  |
| 3. Disregarding COVID losses in FY2020 and FY2021 when calculating project feasibility. Losses are one-time in nature and do not impact ability to service long-term debt on new projects.   |                      |                                      |   |   |                                 |                                 |                                 |                                 |                                     |                                     |                                     |  |
| 4. The July 2017 approval item for North Torrey Pines Learning and Living Neighborhood included an Auxiliary Debt Service Coverage exception of 1.09x in FY2023. Ignoring the \$25M recurring decompression impact in FY2021, the campus actually improved their ratio to 1.28x in FY2023 and would have remained above the policy minimum through FY2030. |                      |                                      |   |   |                                 |                                 |                                 |                                 |                                     |                                     |                                     |  |

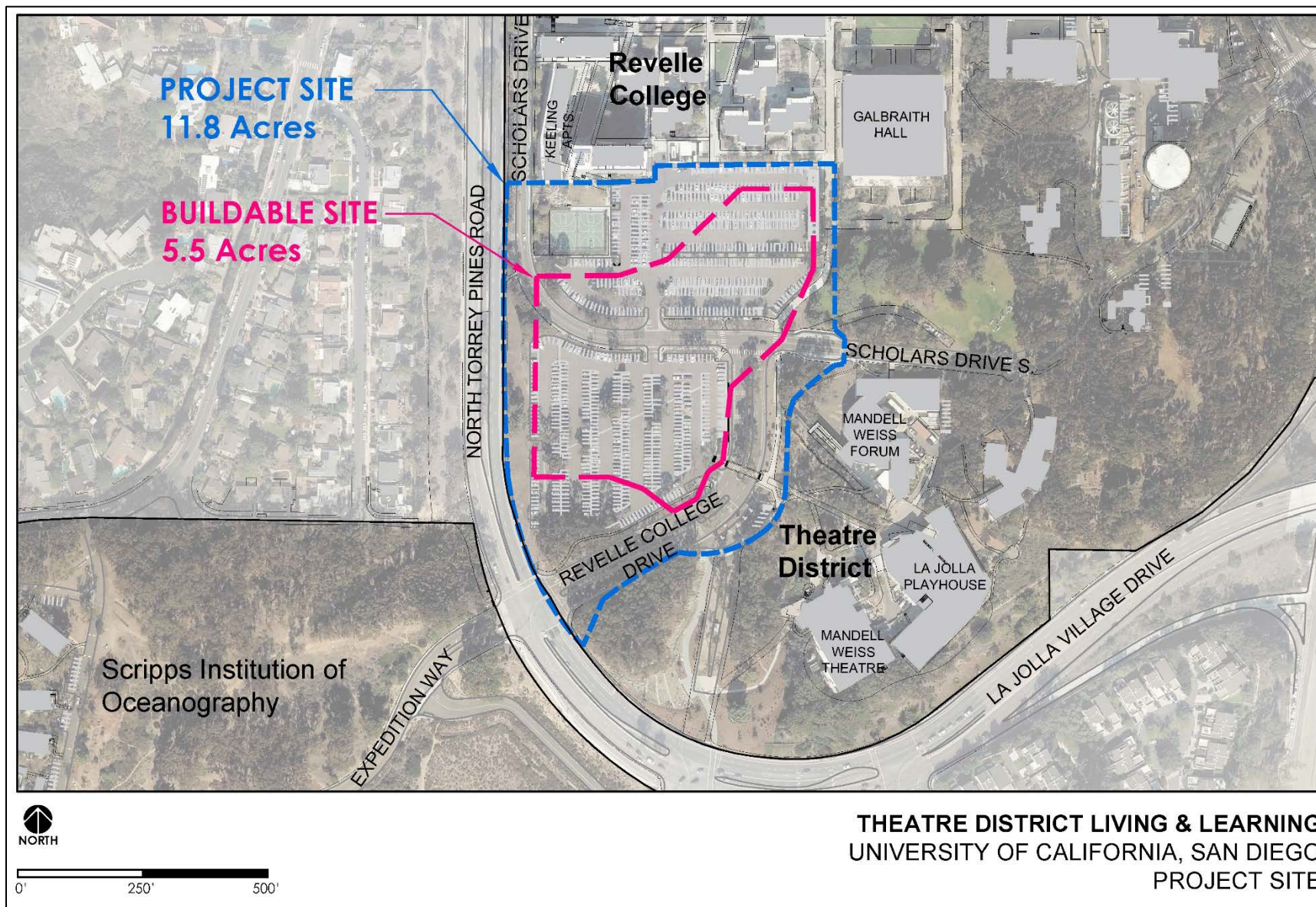


**10-YEAR FINANCIAL FORECAST – PAGE 3 OF 3**

| UC San Diego FY2020-2030  |                      |                      |         |         |          |          |          |          |          |          |          |
|---|----------------------|----------------------|---------|---------|----------|----------|----------|----------|----------|----------|----------|
| Auxiliary Revenues and Expenditures   |                      |                      |         |         |          |          |          |          |          |          |          |
| Parking & Transportation Services   |                      |                      |         |         |          |          |          |          |          |          |          |
|   | Projected            | Forecast             |         |         |          |          |          |          |          |          |          |
|   | 2020                 | 2021                 | 2022    | 2023    | 2024     | 2025     | 2026     | 2027     | 2028     | 2029     | 2030     |
| Operating Revenues  | 32,879               | 28,457               | 47,796  | 50,481  | 52,192   | 55,107   | 57,444   | 62,310   | 64,198   | 66,163   | 68,200   |
| Operating Expenses  | 32,553               | 32,442               | 32,572  | 34,254  | 34,995   | 35,924   | 37,470   | 39,050   | 40,040   | 41,083   | 42,130   |
| Total Net Operating Income (Loss)   | 326                  | (3,985)              | 15,224  | 16,227  | 17,197   | 19,183   | 19,974   | 23,260   | 24,158   | 25,080   | 26,073   |
| NonOperating Expense  | (126)                | (128)                | (132)   | (153)   | (231)    | (231)    | (231)    | (231)    | (231)    | (231)    | (231)    |
| Debt Service  | (7,935)              | (7,996)              | (8,357) | (8,357) | (11,217) | (11,220) | (13,081) | (13,075) | (13,077) | (13,058) | (13,052) |
| Other NonOperating Revenues (Expenses)  | (8,061)              | (8,124)              | (8,489) | (8,510) | (11,448) | (11,451) | (13,312) | (13,306) | (13,308) | (13,289) | (13,283) |
| Total Income (Loss)   | (7,735)              | (12,109)             | 6,735   | 7,717   | 5,749    | 7,732    | 6,662    | 9,954    | 10,850   | 11,791   | 12,790   |
| Operating Cash Flow Margin  | -23.5%               | -42.6%               | 14.1%   | 15.3%   | 11.0%    | 14.0%    | 11.6%    | 16.0%    | 16.9%    | 17.8%    | 18.8%    |
| Auxiliary Debt Service Coverage Ratio @ 3%  | 0.04                 | (0.50)               | 1.82    | 1.94    | 1.53     | 1.71     | 1.53     | 1.78     | 1.85     | 1.92     | 2.00     |
| Impacts:  | Covid Related Losses | Covid Related Losses |         |         |          |          |          |          |          |          |          |
| Notes:  |                      |                      |         |         |          |          |          |          |          |          |          |
| 1. COVID losses to be covered by accumulated reserves and/or draws against working capital lines, if needed.  |                      |                      |         |         |          |          |          |          |          |          |          |
| 2. Disregarding COVID losses in FY2020 and FY2021 when calculating project feasibility. Losses are one-time in nature and do no impact ability to service long-term debt on new projects. |                      |                      |         |         |          |          |          |          |          |          |          |







## PROPOSED AREA SUMMARY

| RESIDENTIAL  | Units <sup>(1)</sup> | # of Beds <sup>(1)</sup> | ASF <sup>(1)</sup> |
|--|----------------------|--------------------------|--------------------|
| <b>Undergraduate Student Housing</b>   |                      |                          |                    |
| Apartments (4 students per apartment)  | 125                  | 500                      | 143,800            |
| Apartments (8 students per apartment)  | 51                   | 408                      | 95,000             |
| Residence Halls (8 students per suite/unit)  | 33                   | 264                      | 56,700             |
| Residence Halls (12 students per suite/unit)   | 69                   | 828                      | 178,400            |
| <b>Subtotal: Undergraduate Student Units / Beds</b>  | <b>278</b>           | <b>2,000</b>             |                    |
| Resident Advisor (RA) Units  | 42                   | 42                       | 14,000             |
| Live-in Professional Staff   | 4                    | 8                        | 3,600              |
| <b>Subtotal: RA and Live-In Staff Units / Beds</b>   | <b>46</b>            | <b>50</b>                |                    |
| <b>Total Units / Beds</b>  | <b>324</b>           | <b>2,050</b>             |                    |
| Study Areas, Student Lounges, Laundry, Shared Kitchenettes   |                      |                          | 51,500             |
| <b>Common Space, Residential Support</b>   |                      |                          |                    |
| Residential Life/Housing/ Operations (offices and support, mail and package) and Community Space (indoor bike storage, community rooms, co-working/study, health and wellness, and other active/social spaces) |                      |                          | 31,000             |
| <b>Subtotal Residential ASF</b>  |                      |                          | <b>574,000</b>     |
| <b>NON-RESIDENTIAL PROGRAM</b>   |                      |                          |                    |
| <b>Academic</b>  |                      |                          |                    |
| Flexible General Assignment Classroom Space & Building Support   |                      |                          | 17,100             |
| <b>New College Administrative and Academic Space</b>   |                      |                          |                    |
| Core Instructional Program – Writing (academic offices, office support, meeting rooms, classroom)  |                      |                          | 3,100              |
| Provost/Academic Advising/Academic Support (office, office support, multipurpose meeting, scholarly activity)  |                      |                          | 7,800              |
| <b>Retail</b>  |                      |                          |                    |
| Dining Hall  |                      |                          | 17,700             |
| Restaurant   |                      |                          | 3,800              |
| In-line Retail   |                      |                          | 1,500              |
| <b>Meeting Center and Suites</b>   |                      |                          |                    |
| Large Meeting Room   | 1                    | 3,400                    | 3,400              |
| Small Meeting Room   | 3                    | 350                      | 1,050              |
| Administrative and Support Areas   |                      |                          | 2,950              |
| Meeting Suites   | 4                    | 400                      | 1,600              |
| <b>Warehouse</b>   |                      |                          |                    |
| HDH Ancillary Space for Building Operations  |                      |                          | 6,000              |
| Facilities Management Ancillary Space for Building Ops   |                      |                          | 5,000              |
| <b>Subtotal Non Residential ASF</b>  |                      |                          | <b>71,000</b>      |
| <b>TOTAL PROJECT ASF</b>   |                      |                          | <b>645,000</b>     |
| <i>Notes:</i><br>(1) Square footages, number of units, and number of beds may change as the design is finalized for completion of construction documents.  |                      |                          |                    |

## ALTERNATIVES CONSIDERED

Information regarding alternatives considered for delivery of new student housing is provided below, including:

- Option 1 – Redevelopment with University-Delivered, New Construction on Campus
- Option 2 – Reallocate Existing Housing
- Option 3 – Lease or Purchase off Campus
- Option 4 – Redevelopment with Public-Private Partnership (P3)
- Option 5 – “Do Nothing” (no project)

### **Option 1 - Redevelopment with University-Delivered, New Construction on Campus**

The preferred solution would redevelop an 11.8-acre site (buildable area of 5.5 acres, 6.3 acres of public realm improvements) on campus to provide new residential, academic, administrative, and retail facilities for a new/future college. As described in the item, the project would provide approximately 2,000 new beds for undergraduate students.

Option 1 is the only solution of the alternatives considered that would provide new housing, in the shortest amount of time, which is critically needed to meet the current and projected demand for on-campus housing. When compared to current market rates in the surrounding area, the proposed project is the best solution for making affordable housing available to undergraduate students. The campus is proceeding with a progressive design-build, fixed-price delivery model with the plan to complete the new housing by fall 2023. This scenario provides the greatest likelihood for meeting campus goals as described in the Project Drivers section. Without additional housing, the UC San Diego campus will be unable to meet its 2018 LRDP goal of housing 65 percent of students in campus facilities.

### **Option 2 - Reallocate Existing Housing**

Current demand from all students exceeds available housing supply and, due to decompression, the campus will reduce the number of beds (approximately 2,075) by removing all triples, consistent with social distancing guidelines. With recent completion of the Nuevo East and Nuevo West housing projects, and completion of North Torrey Pines Living and Learning Neighborhood in fall/winter 2020, the campus will continue to evaluate opportunities to reallocate housing to better accommodate demand from all groups; however, reallocation does not create more housing. With continued efforts to decompress existing housing, reallocation is not a realistic solution. Demands for Graduate and Professional Student housing also remain high.

### **Option 3 - Lease or Purchase off Campus**

As previously mentioned, UC San Diego is located in La Jolla/University Town Center (UTC) where housing costs are extremely high and rents are among the highest in the county. This reduces the availability and financial feasibility of leasing or buying off-campus

developments. The other portion of the private market housing in the adjacent community is designated as condominiums with individual owners and homeowner associations, and typically houses a high percentage of non-UC San Diego residents. Pursuing these opportunities would not generate enough new beds for UC San Diego students and would place the University in the position of purchasing and operating a property made up of non-affiliates as the homeowners and tenants and, in these types of residential arrangements, conflicts tend to occur between the University users and non-affiliates.

Several years ago, the campus investigated several different off-campus properties for potential purchase; however, further evaluation revealed that these properties were older wood-frame product that would require significant seismic and building code upgrades in order to bring them within University of California standards. Purchase of off-campus residential property would have also triggered environmental issues such as increased traffic and impacts to the surrounding community. As an example, one such purchase would have displaced approximately 250 residents to make room for students. The high sales prices, combined with necessary seismic retrofitting and building modernization costs, exceeded the cost of new construction and therefore this option was rejected.

#### **Option 4 – Redevelopment with Public-Private Partnership (P3)**

The campus evaluated a variety of delivery methods for this student housing project including ground lease and concession agreement types of P3 structures. A P3 structure is typically selected for several reasons including the desire to transfer design, construction, financing, and leasing risk; potential preservation of the campus debt capacity and credit; or lack of campus talent to successfully deliver and operate a unique type of project. The campus has a solid track record of developing and operating student housing projects in a cost-effective manner that has resulted in student housing rents averaging more than 20 percent below local market rates. The campus views student housing projects as inherently low-risk, with operating revenues that support the debt service, thus preserving the campus's debt capacity. A P3 project would result in lesser revenues to the campus, the payment of a developer fee for a low-risk project, and potentially greater rents charged to students.

#### **Option 5 - "Do Nothing"**

As previously described in this document, the current housing inventory is not sufficient to meet the demand from the campus community (students, staff, and faculty) in the near and long term. Without increasing the housing inventory, UC San Diego:

- Would not be able to address current and projected demand for student housing – especially given the reduction in the number of beds for fall 2020 due to removal of triples as described in Project Drivers;
- Would not progress towards meeting the 65 percent housing goal as stated in the LRDP;
- Would not be able to provide enough affordable housing to meet student demand, forcing these students to live farther away from campus and resulting in longer commutes/more traffic on local roadways; and

## **ATTACHMENT 10**

- Would not be able to improve the overall experience for residential students, which may threaten the campus' ability to recruit and retain top students.

## PROJECT DELIVERY MODEL

The campus is using the progressive design-build delivery process to support the accelerated completion schedule for the proposed project. UC San Diego has had success in utilizing a design-build delivery method for multiple housing projects over the years dating back to 2007 with the One Miramar Street Apartments, the Rita Atkinson Residences (The Rita) in 2010; and more recently at the Mesa Housing neighborhood with Mesa Nueva (2017), Nuevo West, and Nuevo East (2020). The process allows the University to pre-qualify design-build teams and establish a comprehensive Request for Proposal (RFP).

Three pre-qualified design-build teams were short-listed and invited to participate in a design and collaboration exercise. Each proposal was reviewed and scored by a selection committee consisting of UC San Diego personnel as well as several appointed members of the Design Review Board. The competitive nature of this approach has shown that the teams strive not only to meet the program requirements, but are incentivized through a point system evaluation to convey their team building, creativity, communication, and technical skills.

Rather than a traditional design-build delivery method, the selected design-build team enters into an agreement with the University to develop the program, conceptual and schematic design, hand in hand with campus stakeholders. Design guidelines and campus standards are reviewed by all members for applicability and inclusion as the design is developed. By having the selected team on board early during this critical visioning and confirmation process, the goal is to have increased alignment between the design build team, trade partners, and the University's expectations and aspirations, resulting in an inclusive process that shares and mitigates risk, maximizes the value and opportunity of the project resources, and an eventual reduction in change orders in the delivery of the project.

Due to the progressive nature of this delivery method, the project will be able to take advantage of the weakening market by a just-in-time procurement of the trades. The builder will survey the market to optimize the competition, while still meeting UC San Diego's schedule. This project has reviewed a four phase procurement strategy to reduce risks and drive the costs down.