



OFFICE OF THE PRESIDENT

1111 Franklin Street
Oakland, CA 94607-5200
Phone: (510) 987-9074
Fax: (510) 987-9086
<http://www.ucop.edu>

November 18, 2002

ACTION UNDER PRESIDENT'S AUTHORITY--AMENDMENT OF THE BUDGET FOR CAPITAL IMPROVEMENTS AND THE CAPITAL IMPROVEMENT PROGRAM, AND APPROVAL OF EXTERNAL FINANCING FOR THE DYKSTRA PARKING STRUCTURE PROJECT, LOS ANGELES CAMPUS

It is recommended that:

Pursuant to Standing Order 100.4(q)

- (1) The President amend the 2002-03 Budget for Capital Improvements and the 2002-05 Capital Improvement Program to include the following project:

Los Angeles: Dykstra Parking Structure - preliminary plans, working drawings and construction -- \$8,620,000 to be funded from external financing, to be repaid from Parking System net revenues.

Pursuant to Bylaw 21.4(d) and Standing Order 100.4(nn)

- (2) The President be authorized to obtain financing not to exceed \$8,620,000 to finance the Dykstra Parking Structure project, subject to the following conditions:
 - a. Interest only, based on the amount drawn down, shall be paid on the outstanding balance during the construction period;
 - b. As long as the debt is outstanding, the Los Angeles Campus Parking System fees shall be established at levels to provide excess net revenues sufficient to pay debt service and to meet the requirements of the proposed financing; and
 - c. The general credit of The Regents shall not be pledged.
- (3) The Officers of The Regents be authorized to provide certification to the lender that interest paid by The Regents is excluded from gross income for purposes of federal income taxation under existing law.
- (4) The Officers of The Regents be authorized to execute all documents necessary in connection with the above.

A Key to abbreviations and the project description are attached.

KEY
Capital Improvement Program Abbreviations

S	Studies
P	Preliminary Plans
W	Working Drawings
C	Construction
E	Equipment
-	State Funds (no abbreviation)
F	Federal Funds
G	Gifts
HR	Hospital Reserve Funds
I	California Institutes for Science and Innovation
LB	Bank Loans or Bonds (External Financing includes Garamendi, Bonds, Stand-By, Interim and Bank Loans)
LR	Regents' Loans (Internal Loans)
N	Reserves other than University Registration Fee (Housing and Parking Reserves)
R	University Registration Fee Reserves
U	Regents' Appropriations (President's Funds, Educational Fund)
X	Campus Funds
CCCI	California Construction Cost Index
EPI	Equipment Price Index

2002-03 Budget for Capital Improvements
and 2002-05 Capital Improvement Program
Scheduled for
Regents' Allocation, Loans, Income Reserves,
University Registration Fee Reserves, Gift Funds, and Miscellaneous Funds

Campus and Project Title (Total Cost)		Prefunded		Proposed 2002-03	Projected After 2002-03
<u>Los Angeles</u>	P	\$682,000	N	P (\$ 682,000)	N
				P \$ 434,000	LB
Dykstra Parking Structure				W \$ 552,000	LB
				C \$7,634,000	LB
(\$8,620,000)					

DESCRIPTION

The Los Angeles campus proposes to construct the Dykstra Parking Structure, accommodating approximately 294 parking spaces in the northwest quadrant of the campus.

Background

In March 2002, The Regents approved preliminary plan funding for six capital projects associated with the Northwest Campus Student Housing and Parking plan. Following completion of preliminary plans, the campus proposed consolidation of these six capital projects into three housing projects and one parking project to accomplish the goals of the Master Plan for the Northwest campus. The housing projects would construct 1,987 new undergraduate student beds and related dining, commons, and support space. The parking structure would replace existing parking spaces lost to prepare a site for the new housing facilities and to support the new beds.

In September 2002, The Regents approved the three housing projects: (1) Sproul Hall First Floor Renovation; (2) Hedrick – North Residence Hall and First Floor Renovation; and (3) Rieber – North and West Residence Halls and First Floor Renovation. At that time the Dykstra Parking Structure was unbundled from the housing projects, and it is now the subject of this Presidential approval request. The previously approved preliminary plan (“P”) budget of \$682,000 (paid for with UCLA Parking Services Capital Reserves) is currently proposed at the reduced amount of \$434,000 in accordance with actual costs incurred. Additionally, it is proposed that the cost of preliminary plans now be externally financed.

Project Justification

The Northwest campus does not have a single site that can accommodate the 1,987 new undergraduate student bed spaces and related support facilities. Much of the terrain is hilly with steep slopes between existing structures. As a result, the Master Plan for the Northwest campus identified an infill development strategy for new residential, parking, and recreational facilities.

Building sites suitable for infill residential development would be created by demolishing the Housing Administration Building (and relocating its occupants to the first floor of Sproul Hall), and removing surface parking lots HH and RH adjacent to Hedrick and Rieber Halls. In addition, surface parking lot 15 near the Saxon and Hitch residential facilities would be removed from service to create construction lay-down space and to provide a building site for a future recreational facility under the Master Plan. Planning studies indicated that replacement parking for approximately 294 vehicles could be provided in a new parking structure on the site of surface parking lot DH adjacent to Dykstra Hall. A total of 228 of the spaces would replace spaces lost from surface parking lots HH, RH, DH, and 15, leaving approximately 66 spaces to support the new undergraduate student beds.

The UCLA Parking Master Plan, now in development in conjunction with the update of the campus' Long Range Development Plan, translates projected growth in undergraduate resident students into a demand for 90 additional residential parking spaces in the northwest campus. Of these 90 new spaces, 66 would be accommodated within the proposed parking structure. The remaining 24 new spaces would be accommodated within existing northwest campus parking surface parking lots by relocating non-resident and visitor parking spaces from the northwest campus to Parking Structure 4 and the new Intramural Field Parking Structure now under construction in the nearby Central zone.

Project Description

The proposed project would construct a four-level parking structure accommodating approximately 294 parking spaces, representing 86,250 gsf of new construction in the northwest quadrant of the campus. It would be built into a hillside between Dykstra and Bradley Halls on surface parking lot DH. The parking entrance level would be at the same grade level as Bradley Motor Court, with three levels of parking below. The structure would accommodate two-way vehicle traffic and 90-degree parking stalls. Project completion is scheduled for May 2004.

The scope of work would include demolition of surface parking lot DH and adjacent landscape in the way of the proposed work; relocation of utilities and a fire hydrant; excavation and shoring; protection of specimen trees adjacent to the site; and installation of replacement landscape and hardscape elements. The project would extend existing campus utilities to the project site, install a new storm drain, and construct a new walkway from the site to Dykstra and Bradley Halls. The scope of work would also include installation of vehicle wheel stops, pavement striping, signage, lighting, conduit for emergency call boxes, bollards, and a fire alarm and fire sprinkler system.

CEQA Classification

In accordance with the California Environmental Quality Act of 1970 and the University of California procedures for implementation of CEQA, the potential environmental effects of the proposed Northwest Housing Infill project, including the Dykstra Parking Structure, will be analyzed as a project specific component of the 2002 Long Range Development Plan program Environmental Impact Report currently underway. Both documents would be presented to The Regents for review at the time of project design consideration.

Financial Feasibility

The total project cost of \$8,620,000 at CCCI 4097 will be funded from external financing, to be repaid from UCLA Parking System Net Revenues. Parking Services debt of \$8,620,000, amortized over 30 years at 6.125% interest, results in estimated annual debt service of \$635,000.

Yellow parking permits, the primary permit type issued to students and staff, represent 71% of the total annual parking permit revenue. The current monthly rate for a yellow parking permit is \$52.00. Fees for blue parking permits, the primary permit type issued to faculty, are equal to 1.25 times the yellow permit rate. The daily rate for parking at UCLA is \$7.00. With monthly permit rates set at the average monthly amounts shown in the following table, campus parking permit rates would generate sufficient funds to cover operating, maintenance, and debt service expenses. The rates for 2003-04 and 2004-05 are the minimum proposed levels based on current assumptions.

Los Angeles Campus Parking System Permit Rates		
<i>Fiscal Year</i>	<i>Monthly Yellow Permit Rate (Students & Staff)</i>	<i>Monthly Blue Permit Rate (Faculty & Staff)</i>
2001-02	\$48.00	\$60.00
2002-03	\$52.00	\$64.00
2003-04	\$55.00	\$68.00
2004-05	\$58.00	\$73.00

Further financial information is shown on Attachment 2.

Approved by:

 11/18/02
Richard C. Atkinson Date
President of the University

Attachments

**PROJECT STATISTICS
DYKSTRA PARKING STRUCTURE
CAPITAL IMPROVEMENT BUDGET
LOS ANGELES CAMPUS
CCCI 4097**

<u>Cost Category</u>	<u>Amount</u>	<u>% of Total</u>
Site Clearance	\$78,000	.9%
Building	5,798,000	67.2%
Exterior Utilities	98,000	1.1%
Site Development	395,000	4.6%
A/E Fees ^(a)	437,000	5.1%
Campus Administration ^(b)	345,000	4.0%
Surveys, Tests	376,000	4.4%
Special Items ^(c)	456,000	5.3%
Contingency	<u>637,000</u>	<u>7.4%</u>
Total	\$8,620,000	100% ^(e)

Group 2 & 3 Equipment

Total Project **\$8,620,000**

Statistics

Gross Square Feet (gsf) ^(d)	86,250
Assignable Square Feet (asf) ^(d)	N/A
Ratio asf/gsf	N/A
Building Cost/GSF ^(d)	\$67
Project Cost per Space	\$29,320

Comparable University Projects at CCCI 4097

Not applicable.

- (a) Fees include executive architect and other professional design contract costs.
- (b) Campus administration includes project management and inspection.
- (c) Special items include agency fees, Environmental Impact Report, traffic consultant, document review, messenger/delivery costs totaling \$161,000; and interest expense totaling \$295,000.
- (d) Gross square feet (GSF) is the total area, including usable area, stairways, and space occupied by the structure itself. Assignable square feet (ASF) is the net usable area.
- (e) May not add to 100 per cent due to rounding.

November 2002

SUMMARY FINANCIAL FEASIBILITY ANALYSIS**Project Title:** Dykstra Parking Structure**Total Estimated Project Cost:** \$8,620,000**Proposed Source of Funding:**

External Financing \$8,620,000

Projected Financing Terms:

Interest rate: 6.125% Duration: 30 years

Estimated Annual Gross Revenues (FY 2004-05) ^{1,2}:

Parking Permits	\$22,498,000
Daily Sales	\$13,995,000
Meters	\$1,071,000
Total Permits and Other Income	<u>\$37,564,000</u>

Estimated Average Annual Expenses (FY 2004-05) ¹:

Operating Expenses (existing operations)	\$15,950,000
Operating Expenses (proposed project)	\$78,000
Total Expenses	<u>\$16,028,000</u>

Net Revenues Available for Debt Service: \$21,536,000**Estimated Annual Debt Service:**

Principal and interest (proposed project)	\$635,000
Principal and interest (existing projects)	\$12,455,000
Total Debt	<u>\$13,090,000</u>

Estimated Annual Surplus for Major Maintenance (FY2004-05) ¹: \$8,446,000**Los Angeles Campus Parking System Information (FY2004-05) ¹:**

Estimated Annual Net Revenues	\$21,536,000
Estimated Annual Debt Service	\$13,090,000
Average Debt Service Coverage	1.65X

(1) First full year of operation.

(2) Excludes interest income.