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June 19, 2003

ACTION UNDER PRESIDENT'S AUTHORITY--AMENDMENT OF THE BUDGET FOR CAPITAL IMPROVEMENTS AND THE CAPITAL IMPROVEMENT PROGRAM AND APPROVAL OF EXTERNAL FINANCING FOR WOODEN COMPLEX IMPROVEMENTS, 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 Capital Improvement Program to reflect the following changes:

Los Angeles: Wooden Complex Improvements - preliminary plans, working drawings, construction, and equipment -- \$2,042,000 to be funded from external financing (\$1,822,000) and campus funds (\$220,000).

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

- (2) The President authorize financing not to exceed \$1,822,000 to finance the Wooden Complex Improvements 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. Repayment of the debt shall be from the Student Programs, Activities and Resource Complex Fee approved by student vote in May 2000 and by The Regents in November 2000 and a portion of the Los Angeles campus University Registration Fee, which shall generate net revenue sufficient to pay debt service and to meet all related financing requirements; 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 Planning
W	Working Drawings
C	Construction
E	Equipment
-	State (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 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)	Proposed 2002-03		
<u>Los Angeles</u>			
Wooden Complex Improvements	P	30	LB
	W	36	LB
	C	1,056	LB
	E	700	LB
	E	220	X
(\$2,042,000)			

DESCRIPTION

The Los Angeles campus proposes to expand and renovate the weight room in the existing John R. Wooden Sports and Recreation Center (Wooden Center) and install furniture and equipment in both the Wooden Center and Wooden West Addition.

Background

The Student Services Master Plan was developed in 1992 to bring together facilities for Student Services in a centralized campus location near Bruin Plaza. Much of this work has already been accomplished, including the addition of the Arthur Ashe Student Health and Wellness Center to the east side of the Wooden Center, and the addition of the Men's Gym Staging Building to the north side of Wooden Center.

Projects currently under construction include the Wooden West addition to the Wooden Center to accommodate Student Services health and recreation programs, and renovations to the Men's Gym to create a student activities center. These projects were funded by the Student Programs, Activities and Resource Complex (SPARC) referendum, approved by student referendum in May 2000 to complete key components of the master plan. SPARC would also fund the remaining work under the master plan, including improvements to the Wooden Center, conversion of the Men's Gym Staging Building to permanent Student Services use after completion of renovations to Men's Gym, and landscape and hardscape improvements to support student activities in the Bruin Plaza area.

Improvements to the Wooden Center are now needed to correct functional deficiencies in the weight room, and integrate its use and operations with the new weight training facilities under construction in Wooden West. Deficiencies in the existing weight room include a narrow entrance that is difficult to locate; a lack of space where people can be checked in, review rules, and sign waivers; and inadequate space to accommodate training equipment for an expanded volume of users. A project to correct these conditions

could also efficiently install audio/visual equipment in both weight rooms, and furniture and equipment in Wooden West's offices to make the Wooden Complex functional for students.

Project Description

The proposed project would expand the existing Wooden Center weight room into an interior courtyard to accommodate additional exercise equipment; convert a storage room into a reception office for the weight room; enclose a portion of the courtyard into unimproved shell space for a future refreshment concession facility; and install Group 2 and 3 equipment and furniture in the Wooden Center and Wooden West. The project would also provide accessibility upgrades in the Wooden Center, and fund a proportional share of a new fire lane between the Intramural Field Parking Structure and the Wooden Complex to be constructed under the approved parking structure project.

The project would construct and renovate a total of 5,110 asf (5,821 gsf) in the Wooden Center, including 1,144 asf (1,190 gsf) of expansion space for the weight room and concession facility, and 3,966 asf (4,631 gsf) of renovated weight room and reception office space. Under this project, the existing Wooden Center weight room would increase from 3,216 asf to 4,095 asf. There would be no space impacts to Wooden West.

The expansion and renovation of the weight room would involve the installation of a glass enclosure in a portion of the courtyard; installation and reconfiguration of mechanical duct work, registers, and sprinkler heads; installation of a new suspended ceiling and light fixtures; and provision of new finishes. Conversion of a storage room into a reception office would involve the reconfiguration of walls; and the installation of a new ceiling, lighting, casework, electrical, communications connectivity conduit, and finishes. Accessibility upgrades in the Wooden Center would involve modifications to drinking fountain heights and spacing, restroom vestibule door swings, main reception counter height, stairwell and guardrail openings, and elevator controls.

Group 2 and 3 equipment would include the procurement and installation of the following: (1) exercise and audio/visual equipment in the Wooden Center and Wooden West weight rooms; (2) office furniture, a high density medical records storage system, and audio/visual equipment for Student Psychological Services in Wooden West. Audio/visual equipment would include music, paging, and cable television systems for the weight rooms; and multimedia projection, cable television, audio/video recording, television monitors, video cameras, and music systems for the offices, training, and meeting rooms of Student Psychological Services.

The proposed improvements to the Wooden Center weight room would be phased to minimize disruption to existing operations. The installation of audio/visual systems in Wooden West would be performed prior to occupancy, while that facility is still under construction. Construction is scheduled to begin in July 2003, with completion by March 2004.

CEQA Classification

In accordance with the California Environmental Quality Act and University of California procedures for the implementation of CEQA, the proposed project is Categorically Exempt under Article 19, Section 15301, Class 1, Existing Facilities.

Financial Feasibility

The total project cost of \$2,042,000 at CCCI 4168 would be funded from external financing (\$1,822,000) and campus funds (\$220,000) of which Group 2 and 3 office furniture, records storage, and weight training equipment would be funded by \$700,000 of the external financing on a 15 year term. Group 2 and 3 audio/visual equipment would be funded by campus funds.

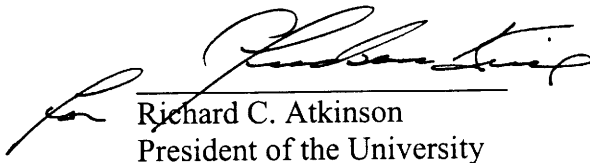
Repayment of the external financing would be from the Student Programs, Activities and Resource Complex Fee (SPARC) approved by the students in May 2000 and approved by The Regents in November 2000, and a portion of the Los Angeles campus Registration Fee.

The Chancellor, in consultation with the Student Fee Advisory Committee, approved the pledge of the University Registration Fee. The SPARC fee also financed a portion of the Renovations to Men's Gym approved by The Regents in November 2000, and the Wooden West Addition project originally approved by the President, subject to the concurrence of the Chairman of the Board, the Chairman of the Committee on Grounds and Buildings, and the Chairman of the Committee on Finance in June 2001, and amended in December 2002.

Assuming 30 year financing of \$1,122,000 at 6.125% interest and 15 year financing of \$700,000 at 5.75%, the average annual debt service for the proposed project will be \$83,000 and \$71,000, respectively. The average annual debt service for the previously approved Men's Gym project is \$1,737,000, and \$931,000 for the Wooden West Addition project. Total average annual debt service would be \$2,822,000. Estimated annual revenue from the SPARC fee of \$3,407,000 and additional campus Registration fees would be sufficient to pay for estimated operating expenses of \$13,000, and debt service for all projects in fiscal year 2006-07, the first full year of principal and interest payments for the proposed project.

Additional financial feasibility information may be found on Attachment 2.

Approved by:


Richard C. Atkinson
President of the University

6-19-03
Date

Attachments

**PROJECT STATISTICS
WOODEN COMPLEX IMPROVEMENTS
CAPITAL IMPROVEMENT BUDGET
LOS ANGELES CAMPUS
CCCI 4168**

<u>Cost Category</u>	<u>Amount</u>	<u>% of Total</u>
Site Clearance		
Building	\$808,000	72.0%
Exterior Utilities		
Site Development		
A/E Fees ^(a)	79,000	7.0%
Campus Administration ^(b)	59,000	5.3%
Surveys, Tests	16,000	1.4%
Special Items ^(c)	58,000	5.2%
Contingency	<u>102,000</u>	<u>9.1%</u>
Total	\$1,122,000	100.0%
Group 2 & 3 Equipment	<u>920,000</u>	
Total Project	\$2,042,000	

<u>Statistics</u>	<u>Proposed</u>
Gross Square Feet (GSF) ^(d)	5,821
Assignable Square Feet (ASF) ^(d)	5,110
Ratio ASF/GSF (%)	87.8%
Building Cost/GSF ^(d)	\$139
Building Cost/ASF ^(d)	\$158

- (a) Fees include executive architect and other professional design contract costs.
- (b) Campus administration includes project management and inspection.
- (c) Special items include independent structural peer review, independent water proofing review, agency/plan check (\$15,000); and interest expense (\$43,000).
- (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.

SUMMARY FINANCIAL FEASIBILITY ANALYSIS

Project Title: Wooden Complex Improvements

Total Estimated Project Cost: \$ 2,042,000

Proposed Source of Financing

External Financing (30 years)	\$ 1,122,000
External Financing (15 years)	700,000
Campus Funds	<u>220,000</u>
Total	\$ 2,042,000

Projected Financing Terms:

Interest Rate: 6.125%	Interest Rate: 5.75%
Duration: 30 years	Duration: 15 years

Estimated Annual Revenue (2006-07) ¹

Student Programs, Activities and Resource Complex (SPARC) Fee (35,445 students x \$28 x 3 quarters)	\$ 2,977,000
(14,760 summer students x \$28)	\$ 430,000
Registration Fees	<u>\$ 1,081,000</u>
Total	\$ 4,488,000

Estimated Annual Operating Expenses (2006-07) ¹

Men's Gym Facility Operating Expenses	\$ 472,000
Wooden West Facility Operating Expenses	\$ 159,000
Wooden Complex Improvements (proposed project)	<u>\$ 13,000</u>
Total	\$ 644,000

Estimated Net Revenues Available for Debt Services (2006-07) ¹ \$ 3,844,000

Estimated Annual Debt Service (2006-07) ¹

Men's Gym Facility Principal and Interest	\$ 1,737,000
Wooden West Principal and Interest	\$ 931,000
Wooden Complex Improvements (proposed project-30 years)	\$ 83,000
Wooden Complex Improvements (proposed project-15 years)	\$ 71,000
Total Principal and Interest:	\$ 2,822,000

UCLA Wooden Complex Improvements

Average Debt Service Coverage: 1.36X

¹ – First full year of principal and interest payments for the project.