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July 15, 2003

ACTION UNDER PRESIDENT'S AUTHORITY--AMENDMENT OF THE BUDGET FOR CAPITAL IMPROVEMENTS AND THE CAPITAL IMPROVEMENT PROGRAM AND APPROVAL OF EXTERNAL FINANCING FOR CAMPUS BUILDINGS IMPROVEMENTS, SANTA BARBARA CAMPUS

It is recommended that:

Pursuant to Standing Order 100.4(q)

- (1) The President amend the 2003-04 Budget for Capital Improvements and the Capital Improvement Program to include the following changes:

Santa Barbara: Campus Buildings Improvements - preliminary plans, working drawings, construction, and equipment -- \$3,451,000 to be funded from external financing (\$3,323,000) and campus funds (\$128,000).

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

- (2) The President be authorized to obtain financing not to exceed \$3,323,000 to finance the Campus Buildings 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 for the Campus Buildings Improvements shall be from the Santa Barbara campus' share of the University Opportunity Fund; 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

2003-04 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
2003-04

Santa Barbara

Campus Buildings Improvements

P	50	X
W	78	X
W	172	LB
C	3116	LB
E	35	LB

(\$3,451,000)

DESCRIPTION

The Santa Barbara campus proposes the renovation of space in the Arts Building (Building 534) to accommodate the College of Engineering's machine shops, renovation of space in Building 479 to accommodate Art Studio functions that require relocation from the Arts Building, and the relocation of Building 346 in order to address the needs of the departments whose space or location is being demolished to make way for construction of approved state-funded building projects. In addition, the campus proposes to address seismic and renewal needs in two additional campus facilities: Buildings 572 and 943.

Background

Impacts from New Capital Projects

The approved California Nanosystems Institute (CNSI) is to be located on the site of Buildings 445, 446, 343, 344, and 346. Buildings 445, 446, 343, and 344 are to be demolished and all occupants will be relocated. This project proposes relocation of Building 346, a custom doublewide trailer, in order to cost-effectively extend its useful life.

The College of Engineering research and instructional shops currently occupy 8,775 asf in Building 446. The campus proposes relocating the shops to the basement of Building 534 (the Arts Building). Renovations would be required in Building 534 and Building 479 to accommodate the shops and existing Art Studio faculty and graduate students.

The approved state-funded Snidecor Hall Office Wing Seismic Corrections and Replacement project will replace and expand the wing of that facility which houses the Department of Dramatic Arts offices and studios. In order to accommodate the functions of the Department of Dramatic Arts the campus proposes to renovate Building 479.

Deferred Maintenance

The campuses proximity to the ocean and salty atmosphere deteriorates external concrete surfaces. This project proposes replacing the damaged, 36-year-old exterior cladding of Brioda Hall (Building 572).

Building 943, Hollister Research Building, is a 40,840 gsf building, housing the campus' Development office and Foundation staff, Alumni Association offices, and offices of the University of California Education Abroad. This project would tie the walls to the floor and roof as required by current Codes and practices and replace the current air handling system consisting of 20 rooftop HVAC units that have reached the end of their useful life (building temperatures are not consistent and frequent failures of the system have been reported; also, the lack of adequate cooling and air handling has resulted in problems with servers and large pieces of equipment such as copiers that require cooler and stable temperatures.) Also, this project would repair the floor on the second level constructed with a non-structural fill that is used primarily for sound deadening. This fill has cracked and crumbled over time and has created an unsafe walking surface. The roof leaks and has caused water damage to the main exterior doors that are warped and cannot be adequately secured.

Project Description

The project would: (1) renovate 5,270 asf of interior space and 1,000 gsf of outdoor space in the Arts Building (Bldg. 534), (2) renovate approximately 10,000 asf of space in the Old Gym Building (Bldg. 479), 3,000 asf to accommodate Art Studio, and the remaining space to accommodate the Department of Dramatic Arts, (3) refinish the exterior of Broida Hall (Bldg. 572), (4) relocate Building 346, and (5) perform seismic work on Hollister Research Center. Construction is scheduled to begin in July 2003 and to be completed in June 2004.

Renovations to Arts Building (534)

Several rooms would be altered as required to accommodate graduate research studios and the support of teaching of papermaking. Renovations would include new track lighting, additional electrical and computer connections, and new finishes as required. The exterior sculpture yard work would include: removal of existing non-working kilns and associated utilities, cover for the sculpture area, and new lighting and electrical fixtures. Room 0249 and the associated exterior area would receive significant electrical and mechanical upgrades to support the College of Engineering student shop equipment. Renovation of existing large classrooms, offices, and storage into a seminar/presentation room, two-graduate research and one faculty studio, would include construction of walls, upgrade of finishes, new lighting, and electrical upgrades as required for the new functions.

Renovations to Old Gym, Building 479

A 3,000 sq ft area, presently used as a sculpture studio, would be renovated to accommodate an art exhibition gallery, 4 new research areas, and a toilet facility. The project would require new walls for the new users, additional electrical upgrades and communications, additional lighting for exhibition, and renovation to the existing toilet facility. Renovating 6,300 asf to accommodate the Dramatic Arts Department consists primarily of building walls, adding doors, painting, ventilation, electrical, and communications to accommodate the new use. Two large rooms would require additional electrical service.

Refinishing of Broida Hall, Building 572

The work would consist of refinishing all of the exterior surfaces, repair spalled and damaged concrete, replace expansion and control joints, gasket windows, and exterior doors as necessary. All exterior surfaces including recently constructed seismic upgrade structure would be painted.

Relocation of Building 346 (Doublewide Trailer)

Building 346 is a custom doublewide trailer facility that would be relocated to another site on the campus adjacent to Building 408. Work would consist of dividing the building into its two parts and moving them to a new site. At the new site, the building would be put back together, all utilities would be routed and connected, and a deck with stairs and a ramp would be built. Landscape and site preparation is also required. All of the interior and exterior finishes would be repaired and the research facility would be made operational.

Repairs to Hollister Research Center

Hollister Research Center is a two-story 40,000 sq ft facility built in 1987. Work would consist of seismic upgrades; floor fill would either be repaired or removed and replaced; new carpets; rooftop HVAC would be replaced; repair and replace interior HVAC ductwork and systems to increase reliability and occupant comfort; exterior doors are not secure and would be renewed or replaced; and roof renewed.

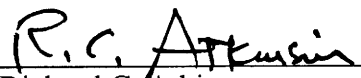
CEQA Classification

The proposed project is consistent with the campus' 1990 Long Range Development Plan. The project is exempt from CEQA.

Financial Feasibility

The total project cost of \$3,451,000 at CCCI 4057 would be funded from external financing (\$3,323,000) and campus funds (\$128,000). The estimated annual debt service at 5.75% for 15 years is \$337,000. Repayment for the Campus Building Improvements debt would be from campus Opportunity Funds. Opportunity Funds are a portion of the indirect cost recovery generated by federal contracts and grants. By University policy, up to 65% of the campus' total Opportunity Funds may be pledged for debt service, but only up to 33% of actual debt service may be paid from Opportunity Funds. In fiscal year 2005-06, the first full year of principal and interest payments, 50% of Opportunity Funds are pledged for debt service. Inclusive of this amount for the external financing, the campus is within the prescribed Opportunity Fund pledge and payment limits. Additional financial feasibility information may be found on Attachment 2.

Approved by:


Richard C. Atkinson
President of the University

7/15/03
Date

**PROJECT STATISTICS
CAMPUS BUILDING IMPROVEMENTS
CAPITAL IMPROVEMENT BUDGET
SANTA BARBARA CAMPUS
CCCI 4057**

Cost Category

	Broida #572	Arts Bldg #534	Old Gym #479	Trailer Relocation #346	Hollister Research #943	Total All Sources	<u>% of Total</u>
Site Clearance		30,000	20,000	30,000		80,000	2.3%
Construction	560,000	420,000	220,000	70,000	1,050,000	2,320,000	67.9%
Exterior Utilities		15,000	10,000	50,000		75,000	2.2%
Site Development		20,000		35,000		55,000	1.6%
Fees	40,000	35,000	40,000	20,000	140,000	275,000	8.1%
A&E/PP&C	40,000	50,000	40,000	15,000	90,000	235,000	6.9%
Surveys, Tests, Plans, Specs	5,000	5,000	5,000	5,000	10,000	30,000	0.9%
Special Items	20,000	18,000	11,000	9,000	42,000	100,000	2.9%
Contingency 9.7%	55,000	51,000	30,000	20,000	90,000	246,000	7.2%
<u>Total P-W-C</u>	\$720,000	\$644,000	\$376,000	\$254,000	\$1,422,000	3,416,000	100%
Group 2 & 3 Equipment		15,000	5,000	15,000		35,000	
Total Project	\$720,000	\$659,000	\$381,000	\$269,000	\$1,422,000	\$3,451,000	

Project Statistics

	<u>Broida</u>	<u>Arts Bldg</u>	<u>Old Gym</u>	<u>Building</u>	<u>HRC</u>
Assignable Square Feet (ASF)		5,800	9,600	1,440	33,174
Gross Square Feet (GSF)		7,500	13,260	1,700	40,840
Construction Cost/ GSF		\$56	\$17	\$41	\$26
Ratio ASF/ GSF		77%	72%	85%	81%

SUMMARY OF FINANCIAL FEASIBILITY ANALYSIS

Project Title: Campus Building Improvements

Total Estimated Project Cost: 3,451,000

Projected Source of Financing

Campus Funds	128,000
External Financing	3,323,000
	<u>3,451,000</u>

Projected Financing Terms:

Interest Rate:	5.75%
Duration In Years:	15
Annual Debt Payment:	337,000

Santa Barbara Opportunity Fund Information (FY 2005-06)*

Opportunity Fund Allocation	6,636,000
Garamendi	<u>1,910,000</u>
Total	8,546,000

Estimated Average Annual Debt Service

Proposed Project	337,000
Garamendi	1,910,000
Other projects yet to be approved**	349,350
Other Approved Projects	<u>1,676,000</u>
Total	4,272,350

% Opportunity Fund Pledged for Debt (policy limit 65%) 50%

* First full year of interest and principal payments on the project

** Other project to be presented for approval