



OFFICE OF THE PRESIDENT

Robert C. Dynes
President

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

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**ACTION UNDER PRESIDENT'S AUTHORITY- AMENDMENT OF THE BUDGET
FOR CAPITAL IMPROVEMENTS AND THE CAPITAL IMPROVEMENT PROGRAM
AND APPROVAL OF EXTERNAL FINANCING FOR 555 GLENROCK SEISMIC
UPGRADE AND REPAIR, LOS ANGELES CAMPUS**

It is recommended that:

Pursuant to Standing Order 100.4(q)

- (1) The President amend the 2004-05 Budget for Capital Improvements and the Capital Improvement Program to include the following project:

Los Angeles: 555 Glenrock Seismic Upgrade and Repair - preliminary plans, working drawings, and construction -- \$1,500,000 to be funded by Housing Reserves (\$1,025,000) and external financing (\$475,000).

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

- (2) The President be authorized to obtain financing not to exceed \$475,000 to finance construction of the 555 Glenrock Seismic Upgrade and Repair project, subject to the following conditions:
 - a. As long as the debt is outstanding, rents from the UCLA Campus Housing System (CHS) shall be established at levels sufficient to provide excess net revenues to pay the debt service and to meet related debt service requirements of the proposed financing; and
 - b. The general credit of The Regents shall not be pledged.
- (3) 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) Officers of The Regents be authorized to execute all documents necessary in connection with the above.

A Key to abbreviations and the project description is attached.

(Attachment)

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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

2004-05 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 <u>2004-05</u>	
<u>Los Angeles</u>	P	120,000	N
555 Glenrock Seismic	W	107,000	N
Upgrade and Repair	C	798,000	N
	C	475,000	LB

Total Project
(\$1,500,000)

DESCRIPTION

The Los Angeles campus proposes to upgrade and repair the seismically “Fair” undergraduate student apartment building at 555 Glenrock Avenue at a total project cost of \$1,500,000 supported with UCLA Campus Housing Reserves and external financing.

Background

In February 2003, the President approved the acquisition of the 44-unit, 123-bed apartment building at 555 Glenrock Avenue to house single undergraduate students for \$9,400,000. The building, located adjacent to the campus, would help the campus with the goal of providing two years of guaranteed housing for incoming freshmen and one year of guaranteed housing for transfer students. The purchase would also help the campus meet its institutional goals for the recruitment and retention of qualified students.

The building consists of four levels of apartments containing 8 single studios, 12 one-bedroom/one-bath, and 24 two-bedroom/two-bath units, accommodating a total of 123 students. The structure was built in 1985 over two levels of parking with 75 spaces. The acquisition was approved with the understanding that the campus would return for approval to upgrade the building’s seismic rating to “Good” in accordance with University seismic safety policy. Architectural and engineering studies have since identified a scope of work and budget to seismically upgrade the structure and make necessary repairs.

Project Description

The proposed project would upgrade the seismically “Fair” apartment building at 555 Glenrock Avenue. The project would also involve replacement of the roof, water intrusion repairs, and the installation of a code-compliant access ramp triggered by the work. Upon completion, the seismic rating of the building would be upgraded to “Good”.

The proposed structural work would involve the installation of plywood shear panels on the interior of the building. The shear panels would be primarily located in selected units and

corridors of the sixth (top) level, with some shear panels also installed on the fifth level. The project would include the removal of building finishes and components in the way of the proposed work, replacement of deteriorated wood framing and insulation, repair of water damage to finish surfaces, and reinstallation and restoration of finishes and casework impacted by the work.

Non-structural work would involve the removal of the existing roof membrane, flashing, roof drains, and roof-mounted HVAC equipment; installation of a new roof membrane and flashing, and reinstallation of roof-mounted equipment on base isolators. The work would also include the installation of an access ramp from the parking garage to the elevator lobby in accordance with requirements of the Americans with Disability Act (ADA). Repairs to exterior balconies would be completed under a separate project to be completed over the course of several summers. The balcony repairs are estimated to cost approximately \$72,000 and would be funded from Off-Campus Housing Major Maintenance Reserve funds.

There would be no change to building assignable or gross square feet as a result of the proposed project. Construction is scheduled to begin in June 2005 with completion by September 2005. The building will be vacated to facilitate the work following the expiration of housing contracts for current residents in June 2005. Students requesting accommodations during the Summer would move at their own expense to housing that would be provided in another University Apartment facility.

Sustainability

This project will comply with the *Presidential Policy for Green Building Design and Clean Energy Standards* dated June 16, 2004. As required by this policy, the project will adopt the principals of energy efficiency and sustainability to the fullest extent possible, consistent with budgetary constraints and regulatory and programmatic requirements.

CEQA Classification

In accordance with the California Environmental Quality Act of 1970 and the University of California Procedures for 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 \$1,500,000 at CCCI 4438 would be funded from \$1,025,000 of Housing Reserves and \$475,000 from external financing drawn from the proceeds of prior bond financing for the 555 Glenrock, the Glenrock Apartments, and the Venice Barry Apartments in May 2003. The debt service related to the \$475,000 is shown and included in the existing debt service figures in "Existing Permanent Financing" on Attachment 2.

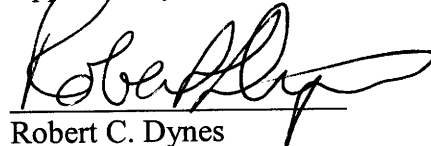
The property is part of the UCLA Campus Housing System (CHS). The campus operates these facilities and has the responsibility to manage net revenues of the system to make certain that debt service requirements are met. The CHS system is separate from the University of California Housing System (UCHS), which is governed and administered financially by the Office of the President under the terms and conditions of the UCHS bond indenture. The campus operates

UCHS facilities as well as Campus Housing facilities. Additional financial feasibility information about the UCLA Campus Housing System is presented in the Attachment.

As described in the February 2003 acquisition approval item, the campus anticipates that the rents charged for 555 Glenrock will be sufficient to pay operating expenses and debt service, meet other related debt service requirements, and to fund major maintenance as needed. Campus planning and analysis indicates that the cost of this project will not necessitate an increase in rents to existing UCLA Campus Housing facilities. However, should the rents from 555 Glenrock prove to be insufficient, other UCLA Campus Housing System facilities will provide support as necessary.

Further financial information is shown in Attachment 2.

Approved by:



Robert C. Dynes
President of the University

1/12/05
Date

(Attachments)

PROJECT STATISTICS
555 GLENROCK SEISMIC UPGRADE AND REPAIR
CAPITAL IMPROVEMENT BUDGET
LOS ANGELES CAMPUS
CCCI 4438

<u>Cost Category</u>	<u>Amount</u>	<u>% of Total</u>
Site Clearance	0	0
Construction	1,041,000	69.4%
Exterior Utilities	0	0
Site Development	0	0
A/E Fees ^(a)	170,000	11.3%
Campus Administration ^(b)	31,000	2.1%
Surveys, Tests	27,000	1.8%
Special Items ^(c)	75,000	5.0%
Contingency	<u>156,000</u>	<u>10.4%</u>
<u>Total</u>	\$1,500,000	100.0%
Total Project	\$1,500,000	

Project Statistics

Gross Square Feet (GSF) ^(d)	40,776
Assignable Square Feet (ASF) ^(d)	36,700
Ratio ASF/GSF (%)	90%
Building Cost/GSF ^(d)	\$25

- (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 review, independent cost review, constructability review, water proofing consultant, Division of State Architect, Fire Marshal, and hazardous material testing (\$75,000).
(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:** 555 Glenrock Seismic Upgrade and Repair**Total Estimated Project Cost:** \$ 1,500,000**Proposed Source of Financing:**

Campus Housing System (CHS) Reserves	\$ 1,025,000
External Financing (Prior Bond Proceeds)	\$ 475,000
	\$ 1,500,000

Estimated UCLA CHS Revenue (2006-07) ¹

Revenue from Existing CHS Facilities	\$ 30,732,744
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Estimated UCLA CHS Expenses (2006-07)

Expenses from Existing CHS Facilities	\$ 11,310,527
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Estimated UCLA CHS Net Revenues (2006-07)	\$ 19,422,217
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Estimated UCLA CHS Debt Service (2006-07)

Existing Permanent Financing ²	\$ 12,831,041
Other Pending Projects ³	\$ 560,438

Total Principal and Interest:	\$ 13,391,479
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<u>Estimated UCLA CHS Surplus for Major Maintenance (2006-07)</u>	\$ 6,030,738
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UCLA CHS Summary Information (2006-07)

Estimated Annual Net Revenues ⁴	\$ 19,422,217
Estimated Annual Debt Service	\$ 13,391,479
Estimated Annual Surplus for Major Maintenance	\$ 6,030,738
Average Debt Service Coverage	1.45X

¹ – First full year of occupancy (2006-07)² – Includes \$475,000 of prior bond proceeds for this project in existing debt³ – Projects pending future Regental Approval⁴ – Excludes estimated interest income