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October 13, 2005

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

It is recommended that:

**Pursuant to Standing Order 100.4(q)**

- (1) The President amend the 2005-06 Budget for Capital Improvements and the Capital Improvement Program to include the following project:

Santa Barbara: East Entrance Road Improvements – preliminary plans, working drawings, and construction -- \$2,355,000 to be funded from external financing.

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

- (2) The President be authorized to obtain financing not to exceed \$2,355,000 to finance construction of the East Entrance Road 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 any financing shall be from the Santa Barbara campus' share of the University Opportunity Funds; and
  - c. 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.

KEY  
Capital Improvement Program Abbreviations

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

2005-06 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	Proposed <u>2005-06</u>
<u>Santa Barbara</u>	
East Entrance Road	P \$ 30,000 LB
Improvements	W \$ 187,000 LB
	C \$2,138,000 LB

(\$2,355,000)

### DESCRIPTION

The proposed Santa Barbara project would prepare for the construction of improvements to the roadways at the east entrance, consisting of the segment connecting the campus to Highway 217 and the intersection and portions of Lagoon and Mesa Roads. The project improvements would provide a modified one-lane and two-lane roadway, a two-lane roundabout, pedestrian crossing, landscaping, and other improvements. The total project cost would be \$2,355,000, to be supported with external financing.

#### ***Background***

The east entrance is the primary entry to the Santa Barbara campus for faculty, staff and visitors. The entrance currently consists of an extension of the one lane portion of Highway 217 that becomes a two-lane road entering University property, with one lane servicing an information kiosk, terminating at a traffic signal and the other lane serving as a free right lane onto Mesa Road. Exiting from the campus is via two left lanes from Mesa Road or via a free right lane with a yield sign from Lagoon Road. The kiosk provides, primarily, first time visitors to the campus with maps, directions and permits that have been reserved ahead of time by departments. Since installation of parking permit vending machines in all lots, parking permits are rarely sold at the kiosk. The functions provided at the east entrance kiosk would be relocated to a kiosk located in the Mesa Parking Structure.

#### ***Traffic Congestion***

During the academic year the morning peak traffic is 1,260 vehicles while the afternoon peak traffic at the intersection is 1,315 vehicles. As a result of this traffic, the intersection at Mesa and Lagoon Roads currently experience delays during the morning and afternoon peak times. The location of the entry kiosk further exacerbates congestion in the morning due to queuing of vehicles into the inbound lane to the campus. Some mornings the back-up extends onto

Highway 217, approximately ¼ of mile. Upon occupancy of the Campus Parking Structure 2, located in the vicinity of the east entrance, in winter 2006, it is expected that this 607-space structure would further increase the pressure on the intersection, particularly during the afternoon peak flows. Traffic engineers have recommended replacement of the current intersection with a two-lane roundabout to improve traffic flow.

### ***Inadequate Road and Safety Conditions***

The current road surfaces on the entry road, Mesa and Lagoon Roads are severely degraded and in need of complete replacement. Curbs are degraded and no pedestrian crossing exists to connect this area to the path to Goleta Beach. In addition, there are currently several different sign types at the east entrance resulting in confusion and increasing safety concerns.

### ***Project Description***

The project proposes reconstruction of approximately 66,000 square feet of concrete and asphalt roadway consisting of approximately 19,000 square feet of Mesa Road, approximately 4,000 square feet of Lagoon Road and approximately 43,000 square feet of the entry off of Highway 217 that is on campus property. The project would include demolition of existing roadways, road lights, signal lights, associated utilities, and removal of the existing kiosk. The project would also include approximately 1.6 acres of landscape and new directional signage.

Reconstruction of both inbound and outbound lanes of the portion of Highway 217 on campus property would include a new median, narrowing of the Mesa road east bound from three- to two-lane, reconstruction of a portion of Lagoon Road to connect to the new round-about and construction of a new pedestrian intersection across Lagoon Road connecting the east end of campus to the extension of the bluff trail. A new two-lane round-about (with a radius from 40 to 75 feet) would be constructed replacing the current signalized intersection. A bus stop would be constructed with access from the circle adjacent to the new California Nanosystems Building.

Construction is scheduled to commence in February 2006, with completion by August 2006.

### ***CEQA Classification***

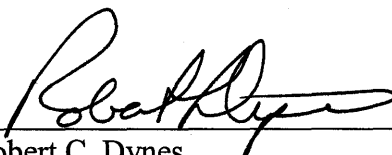
The proposed project is consistent with the campus's 1990 Long Range Development Plan (LRDP). The project is categorically exempt under CEQA.

### ***Financial Feasibility***

The total project cost of \$2,355,000 at CCCI 4328 would be funded from external financing. The estimated annual debt service at 5.75% for 15 years is \$238,532. Repayment for the East Entrance Road 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's 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 2008-09, the first full year of principal and interest payments, 59% 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. Further financial information is shown in Attachment 2.

Approved by:

  
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Robert C. Dynes  
President of the University

10/26/05  
Date

Attachments

ATTACHMENT 1

**PROJECT STATISTICS  
EAST ENTRANCE ROAD IMPROVEMENTS  
CAPITAL IMPROVEMENT BUDGET  
SANTA BARBARA CAMPUS  
CCCI 4328**

<b><u>Cost Category</u></b>	<b><u>Amount</u></b>	<b><u>% of Total</u></b>
Site Clearance	200,000	8.5%
Construction	1,400,000	9.4%
Exterior Utilities	200,000	8.5%
Site Development		
Fees	200,000	8.5%
A&E/PP&C	120,000	5.1%
Surveys, Tests	40,000	1.7%
Special Items <sup>(c)</sup>	55,000	2.3%
Contingency	<u>140,000</u>	<u>5.9%</u>
<b><u>Total</u></b>	<b>\$2,355,000</b>	<b>100%</b>

Group 2 & 3 Equipment

**Total Project** **\$2,355,000**

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Statistics are not included due to the unique nature of this project.

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- (a) Fees include executive architect and other professional design contract costs.  
(b) Campus administration includes project management and inspection.  
(c) Special items include interest expense totaling \$55,000 only.

**ATTACHMENT 2**

**SUMMARY FINANCIAL FEASIBILITY ANALYSIS**

**Project Title: East Entrance Road Improvements**

**Total Estimated Project Cost:** \$ 2,355,000

**Proposed Source of Financing**

External Financing \$ 2,355,000

**Projected Financing Terms**

Interest Rate: 5.75%

Duration: 15 years

**Campus Opportunity Fund Information**

Estimated Annual Revenue (2008-09) <sup>(1)</sup>

Opportunity Funds Allocation \$ 6,430,000

Pre-Off-the-Top Generated (Garamendi Projects) \$ 3,791,000

Total \$ 10,221,000

Estimated Annual Debt Service (2008-09) <sup>(1)</sup>

Campus Debt Service – Other Projects <sup>(2)</sup> \$ 5,701,000

Estimated Debt Service – East Entrance Road Prep \$ 238,532

Total \$ 5,939,532

**Percentage of Opportunity Funds Pledged for Debt (65% policy limit)** 58%

**Debt Service Coverage** 1.72X

<sup>(1)</sup> First full year of principal and interest payments for the project.

<sup>(2)</sup> Includes Garamendi projects.