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December 16, 2008

**ACTION UNDER PRESIDENT'S AUTHORITY – AMENDMENT TO THE BUDGET
FOR CAPITAL IMPROVEMENTS AND THE CAPITAL IMPROVEMENT PROGRAM
AND APPROVAL OF EXTERNAL FINANCING FOR CAMPUS PARKING LOTS G &
H, MERCED CAMPUS**

It is recommended that:

Pursuant to Standing Order 100.4(q)

- (1) The President amend the 2008-09 Budget for Capital Improvements and the Capital Improvement Program to include the following projects:

Merced: Campus Parking Lot G - preliminary plans, working drawings, and construction - \$391,000 to be funded from external financing.

Campus Parking Lot H - preliminary plans, working drawings, and construction - \$1,144,000 to be funded from external financing.

Pursuant to Standing Order 100.4(nn)

- (2) The President approve external financing not to exceed \$1,535,000 to finance the Campus Parking Lots G & H projects, the President shall require that:
- 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 Merced's Transportation and Parking Revenue and Reserves shall be maintained in amounts sufficient to pay the debt service and to meet the related requirements of the authorized financing; and
 - c. The general credit of The Regents shall not be pledged.
- (3) The Officers of The Regents be authorized to execute all documents necessary in connection with the above.

A Key to the abbreviations and the project description are attached.

(Attachment)

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, Standby, 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

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 Titles (Total Cost)		Proposed 2008-09	
<u>Merced</u>			
Campus Parking Lot G	P	\$ 18,000	LB
	W	\$ 22,000	LB
	C	\$ 351,000	LB
(\$391,000)			
Campus Parking Lot H	P	\$ 51,000	LB
	W	\$ 63,000	LB
	C	\$1,030,000	LB
(\$1,144,000)			
Total (\$1,535,000)			

DESCRIPTION

The Merced campus proposes to construct Campus Parking Lots G & H on its main campus. The proposed two new surface parking lots would provide 650 new parking spaces and help meet the demand for campus parking to accommodate an increasing number of students, faculty and staff. The projects costs are \$1,535,000 and would be funded from external financing.

Background

The campus Long Range Development Plan (LRDP) approved by The Regents in 2002, addresses the campus circulation and parking.

The Merced campus opened in fall 2005 with approximately 865 students, 75 academics and 410 staff full-time-equivalent (FTE). At that time, the campus contained 908 parking spaces including 307 spaces associated with the Valley Terraces housing. To implement the LRDP planned growth, the campus has added an additional 522 parking spaces.

As of fall 2008, the campus population has grown to about 2,700 students, 146 faculty/lecturers, and 650 staff. The proposed project would address the demand for parking through at least 2009-2010.

Project Description

The proposed project would construct two new surface parking lots (Campus Parking Lots G & H), which would add 650 parking spaces to the existing 1430 for a total of 2080 spaces. Vehicle access to both lots would be provided from Emigrant Pass and Evolution Valley Roads.

Parking Lot G would provide 200 parking spaces for vehicles and motorcycles through the expansion of the existing Lakes Lots to the south along the western edge of the campus paralleling Lake Road. Parking Lot H would add 450 parking spaces for vehicles and motorcycles through new construction at a site directly to the east of the campus main pump house. The new lot would include straight-in parking along both sides of Evolution Valley Road.

Campus Parking Lots G & H would use semi-permeable surfaces, which are more sustainable than asphalt paving. The scope of work would include grading, drainage, gravel surfacing, sidewalks where needed, some landscaping such as street trees and ground cover if funds permit, lighting, security call stations where needed, and signage. Facilities Management – Transportation and Parking Services (TAPS) would provide overall parking management and maintenance.

Construction is planned to begin in January of 2009 with completion anticipated in spring 2009.

Policy on Sustainable Practices

This project will comply with the *University of California Policy on Sustainable Practices*. As required by this policy, the project will adopt the principles of energy efficiency and sustainability to the fullest extent possible, consistent with budgetary constraints and regulatory and programmatic requirements. The design of the project will be consistent with campus design standards and compatible with the existing surface parking lots on campus.

CEQA Classification

The project is classified Categorically Exempt class 3. This project falls within the Minor Alterations to Land class of exemption as demonstrated in its Environmental Impact Classification form.

Financial Feasibility

The total project cost of \$1,535,000 would be funded from external financing. Assuming a 15-year term at 5.75 percent interest, the average annual debt service for the project would be \$155,476.

The source for payment of the debt service will be Merced's Transportation and Parking Revenue and Reserves (TAPS). TAPS annual operating cost associated with Parking Lots G and H is estimated to be \$10,000. TAPS annual revenue for 2010-11 is estimated to be \$1,519,530. The debt service coverage ratio for the first full year of operation after the project is completed is

estimated to be 1.26 percent. The external financing will be paid from revenue sources specified in the external financing documents; therefore, the general credit of The Regents will not be pledged.

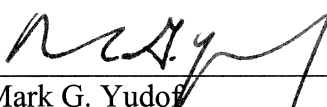
The campus revenue projections include parking rate increases over a four-year period to cover increases in operating expenses, future debt, and other facilities needs. The monthly parking permit rates shown in Table 1 below would generate sufficient funds to cover operating and maintenance for the proposed project. Parking fees are approved by the campus Transportation and Parking Services Advisory Committee.

Table 1
Merced Campus Schedule of Monthly Parking Permit Fees by Type

UC Merced Campus Schedule of Monthly Parking Permit Fees by Type				
	<u>Reserved</u>	<u>Faculty/Staff</u>	<u>Student</u>	<u>Carpool</u>
2008-09	\$ 93	\$ 30	\$ 30	\$ 24
2009-10	\$ 107	\$ 35	\$ 35	\$ 27
2010-11	\$ 112	\$ 40	\$ 40	\$ 31
2011-12	\$ 119	\$ 42	\$ 42	\$ 33
2012-13	\$ 125	\$ 45	\$ 45	\$ 35
2013-14	\$ 131	\$ 47	\$ 47	\$ 37

Further financial information is shown on the Attachment 2.

Approved by:



Mark G. Yudof
President of the University

12/17/08

Date

Attachments

**PROJECT STATISTICS
CAMPUS PARKING LOT G
CAPITAL IMPROVEMENT BUDGET
MERCED CAMPUS
CCCI 5537**

<u>Cost Category</u>	<u>Amount</u>	<u>% of Total</u>
Site Clearance	\$ -	-
Building	\$ 1,000	0.3%
Exterior Utilities	\$ -	-
Site Development	\$ 283,000	74.0%
A/E Fees	\$ 26,000	6.3%
Campus Administration ^(a)	\$ 13,000	3.1%
Surveys, Tests	\$ 12,000	2.9%
Special Items ^(b)	\$ 24,000	5.8%
Contingency	\$ 32,000	7.7%
Total	<u>\$ 391,000</u>	<u>100.0%</u>
Group 2 & 3 Equipment	\$ -	
Total Project	<u>\$ 391,000</u>	

Statistics

Cost/Space per Space ^(c)	\$1,955
Spaces	200

(a) Campus administration includes project management and inspection.

(b) Special items include plan check fees (\$1,000) and interest expenses totaling \$23,000.

(c) The average cost per space for Parking Lot G is \$1,955 (\$391,000/200). The combined average cost per space for Parking Lots G & H is \$2,362 (\$1,535,000/650). Lot G is less per space than Lot H because the site is simpler to develop.

**PROJECT STATISTICS
CAMPUS PARKING LOT H
CAPITAL IMPROVEMENT BUDGET
MERCED CAMPUS
CCCI 5537**

<u>Cost Category</u>	<u>Amount</u>	<u>% of Total</u>
Site Clearance	\$ -	-
Building	\$ 1,000	0.1%
Exterior Utilities	\$ -	-
Site Development	\$ 781,000	68.3%
A/E Fees	\$ 90,000	7.9%
Campus Administration ^(a)	\$ 35,000	3.1%
Surveys, Tests	\$ 18,000	1.6%
Special Items ^(b)	\$ 124,000	10.8%
Contingency	\$ 95,000	8.3%
Total	<u>\$1,144,000</u>	<u>100.0%</u>
Group 2 & 3 Equipment	\$ -	
Total Project	<u>\$1,144,000</u>	

Statistics

Cost/Space per Space ^(c)	\$2,542
Spaces	450

(a) Campus administration includes project management and inspection.

(b) Special items include plan check fees (\$1,000), DPP/Predesign Study (\$60,000), and interest expenses totaling \$63,000.

(c) The average cost per space for Parking Lot H is \$2,542 (\$1,144,000/450). The combined average cost per space for Parking Lots G & H is \$2,362 (\$1,535,000/650).

SUMMARY FINANCIAL FEASIBILITY ANALYSIS

Project Title: Campus Parking Lots G & H

Total Estimated Project Cost: \$1,535,000

Proposed Sources of Funding:

External Financing: \$1,535,000

Proposed Financing Terms:

Interest Rate: 5.75%

Duration: 15 Years

Estimated Annual Revenues (FY 2010-11):

Parking Permits	\$1,412,395
Daily Sales	\$ 14,000
Meters or Other Income	\$ 93,135
Total Parking Permits and Other Income	\$1,519,530

Estimated Average Annual Expenses (FY 2010-11):

Operating Expenses (proposed project)	\$ 10,000
Operating Expenses (existing projects)	\$ 549,268
Total Expenses	\$ 559,268

Net Revenues Available for Debt Service: \$ 960,262

Principal and interest (proposed project)	\$ 155,476
Principal and interest (existing projects)	\$ 606,070
Total Debt	\$ 761,546

Estimated Annual Surplus for Major Maintenance (FY 2010-11): \$ 198,716

Merced Campus Parking System Information (FY 2010-11):

Estimated Annual Net Revenues	\$ 960,262
Estimated Annual Debt Service	\$ 761,546
Average Debt Service Coverage	1.26

Notes:

(1) Fiscal Year 2010-11 represents first year of principal and interest payments.