



OFFICE OF THE PRESIDENT

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October 5, 2004

IN CONFIDENCE

**CHAIRMAN OF THE BOARD
CHAIRMAN OF THE COMMITTEE ON GROUNDS AND BUILDINGS
CHAIRMAN OF THE COMMITTEE ON FINANCE
PRESIDENT OF THE UNIVERSITY**

**ACTION BY CONCURRENCE--AMENDMENT OF THE BUDGET FOR CAPITAL
IMPROVEMENTS AND THE CAPITAL IMPROVEMENT PROGRAM FOR
MATHEMATICAL SCIENCES RESEARCH INSTITUTE ADDITION AND
RENOVATION, BERKELEY CAMPUS**

It is recommended that:

Pursuant to Standing Order 100.4(q)

- (1) 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, authorize that the 2004-05 Budget for Capital Improvements and the Capital Improvement Program be amended as follows:

From: Berkeley: Mathematical Sciences Research Institute Addition and Renovation -- preliminary plans, working drawings, and construction -- \$9,000,000, to be funded from campus funds.

To: Berkeley: Mathematical Sciences Research Institute Addition and Renovation -- preliminary plans, working drawings, and construction -- \$11,200,000, to be funded from campus funds.

A Key to abbreviations and the project description are attached.

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, 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

2004-2005 Budget for Capital Improvements
and Capital Improvement Program
Scheduled for
Regents' Allocations, Loans, Income Reserves,
University Registration Fee Reserves, Gift Funds, and Miscellaneous Funds

Campus and Project Title (Total Cost)	<u>Approved</u>			<u>Proposed 2004-05</u>		
<u>Berkeley</u>	P	350,000	X			
	W	650,000	X			
Mathematical Sciences Research Institute Addition and Renovation	C	8,000,000	X	C	2,200,000	X
(\$11,200,000)						

DESCRIPTION

This action requests approval of a \$2,200,000 budget augmentation and of a scope change for the Mathematical Sciences Research Institute (MSRI) Addition and Renovation project at the Berkeley campus.

Background and Prior Approvals

The MSRI, an independent nonprofit corporation, was established in 1982 following a national competition and was initially located at 2223 Fulton, a UC-owned building at the southwestern corner of the Berkeley campus. The MSRI's primary function is to further mathematical research through broadly based programs in the mathematical sciences and closely related activities. In 1985 the Institute moved to its present hill area site on Gauss Way off Centennial Drive, south of Silver Laboratory and east of the campus. It occupies a three-story building totaling 13,071 asf (25,853 gsf) that was built by the University and is leased to the Institute.

The Institute is primarily funded by the National Science Foundation and receives additional support from other government agencies, private foundations, and other sponsors. MSRI is governed administratively by a board of trustees drawn from academia, government agencies, and the business world, with input from a committee of sponsoring institutions, which include about 80 leading research centers across the country. The Institute's scientific programs are overseen by a scientific advisory committee of leading mathematical scientists.

While it remains an independent entity, MSRI has been hosted by the Berkeley campus since the Institute's founding. Under MSRI's lease with the University, which was recently amended, rent payments have been waived. MSRI pays for janitorial service, exterior landscaping, and utilities. The Institute is responsible for maintenance, repair, and renovation inside the building and the University is responsible for the building's foundations and exterior.

The MSRI Addition and Renovation project was originally approved administratively in July 2003 at a total budget of \$7,500,000, concurrent with approval by The Regents of a new lease.

Project design was approved administratively in October 2003. The project was funded from gifts and grants raised by MSRI and provided to the campus for the project. As a consequence of additional fund raising by MSRI, an expanded project scope and a \$1,500,000 budget augmentation were approved administratively in May 2004.

Need for Augmentation

The campus now seeks an augmentation because the bids received in July 2004 were nearly 40% above the prebid estimate, reflecting an extremely volatile bid market. Reasons include shortages of certain critical materials such as steel, copper, cement, and plywood, efforts by subcontractors to recover losses on recent projects or to anticipate future cost increases such as labor, and a general attitude that we are in a seller's market. Only two bids were received, and the limited bid pool probably also affected the bid results. However, the bids were less than half a percent apart and both received excellent bid coverage from subcontractors.

The project scope has been revised selectively to reduce cost while continuing to meet the major goals of the program. The relatively costly basement level with meeting, service, and utility spaces, which required substantial excavation and retaining walls, has been deleted. Mechanical equipment has been moved to the roof where it will be screened from view, and other changes in the mechanical system and circulation plan have been made to simplify the design. At the second level, the clerestory above the commons room has been eliminated to accommodate the relocated mechanical equipment, and a seminar room has been increased in size to accommodate functions displaced by removal of the basement.

In preparation for the beginning of construction, the Institute moved in July to leased commercial space in the south Berkeley area that may not be available beyond September 2005. It is planned to bid the redesigned project as quickly as possible to minimize the risk of further delay. The Institute hopes to avoid the cost and disruption of a second temporary move, and it may be possible for MSRI to return to its building during the final stages of construction.

Project Description

The MSRI Addition and Renovation project would construct an addition of approximately 8,798 asf to the existing building and would remodel approximately 3,755 asf (total of 17,600 gsf). The proposed addition would be designed with a low visual profile to take advantage of the topography of the site, connecting in scale and design to the existing structure.

Entry to the Institute would be from a new forecourt through the north façade of the addition. The new entry lobby would occur at the juncture of the old and new portions of the building, leading directly to the atrium of the existing building and the new auditorium.

The new 5,331 asf auditorium would accommodate the larger programs of the Institute, which is a major programmatic goal. It would provide permanent seating for approximately 125 persons with the capacity for up to 175 persons using temporary seating. The hall would include a control booth to accommodate tape and video equipment to record presentations for archives and for distribution to other institutions. The room would also be designed to accommodate smaller meetings. Similar to law and business school seminar rooms, this area would have chairs on

casters at continuous curved desks outfitted with computer and speaker hook-ups. The new auditorium would also be designed to function as a venue for small musical performances, which are often included in the Institute's programs.

Several rooms would accommodate a variety of meeting sizes. At the second level a meeting room would seat 35 to 50 persons, depending on the arrangement of tables and chairs, and a new commons room with a kitchenette at this level would facilitate informal meetings and conversations among members. It would serve as a lunch and break room and would be adaptable as additional space for meetings.

The library would expand into space now mostly occupied by an existing seminar room and restrooms, increasing in area by approximately two-thirds. The new area would be designed for compact shelving, allowing the shelving capacity of the library approximately to double in size.

Remodeling of the lobby would provide more space for afternoon teas and lunch or dinner programs. The latter functions would be enhanced by an expanded residential kitchen, which would allow on-site assembly of meals. Other improvements provided by the addition and remodel include a server room, new office and support areas to facilitate administrative functions, expanded storage, and enlarged restrooms at the public areas that comply with current accessibility standards.

Construction is planned to start in December 2004 and to be completed in February 2006.

CEQA Classification

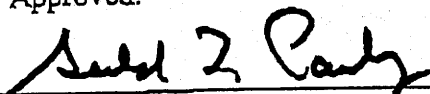
In accordance with the California Environmental Quality Act (CEQA) and the University of California Procedures for the Implementation of CEQA, a Tiered Initial Study/Mitigated Negative Declaration was prepared for the project and adopted by The Regents in July 2003 in conjunction with authorization to execute a lease with the Mathematical Sciences Research Institute, and the project design and related environmental effects are consistent with the previous environmental approval.

Financial Feasibility

The revised total project cost of \$11,200,000 would be supported with campus funds. These funds are provided to the University by MSRI, an independent research institute with close ties to the Berkeley campus. As described above, the University owns the existing MSRI building and leases it at no cost to MSRI. MSRI pays for all utilities, maintenance, and repairs (except for maintenance of exterior elements of the building that are the responsibility of the University). Support from MSRI is administered in compliance with University policy, as well as with the lease amended April 2001.

Additional information regarding the project budget and comparable projects is included as Attachment 1.

Approved:



Gerald L. Parsky
Chairman of the Board

Judith L. Hopkinson
Chairman of the Committee on Grounds and Buildings

Richard C. Blum
Chairman of the Committee on Finance

Robert C. Dynes
President of the University

(Attachment)

Additional information regarding the project budget and comparable projects is included as Attachment 1.

MSRI

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Robert C. Dynes
President of the University

Judith C. Hopkins

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Chair of the Committee on Grounds and Buildings

Richard C. Blum
Chair of the Committee on Finance

Gerald L. Parsky
Chair of the Board of Regents

(Attachment)

① All maintenance paid for by MSRI

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President of the University

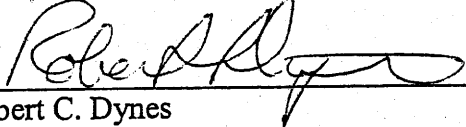
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Robert C. Dynes
President of the University

(Attachment)

ATTACHMENT 1

PROJECT STATISTICS MATHEMATICAL SCIENCES RESEARCH INSTITUTE ADDITION AND RENOVATION CAPITAL IMPROVEMENT BUDGET BERKELEY CAMPUS CCCI 4550

<u>Cost Category</u>	<u>Amount (\$)</u>	<u>% of Total</u>
Site Clearance	125,000	1.0%
Building	8,377,000	74.8%
Exterior Utilities	190,000	1.7%
Site Development	400,000	3.6%
A/E Fees ^(a)	862,000	7.7%
Campus Administration ^(b)	449,000	4.0%
Surveys, Tests	118,000	1.0%
Special Items ^(c)	245,000	2.2%
Contingency	434,000	3.9%
Total	11,200,000	100.0%
Groups 2 & 3 Equipment		
Total Project	11,200,000	

Statistics

Gross Square Feet (GSF) ^(d)	17,600
Assignable Square Feet (ASF) ^(d)	12,553
Ratio ASF/GSF (%)	69%
Building Cost/GSF ^(d)	\$476
Building Cost/ASF ^(d)	\$667

- (a) Fees include executive architect and other professional design contract costs.
 (b) Campus administration includes project management and inspection.
 (c) Special items include specialty consultants, environmental assessment and CEQA costs, code compliance fees, and miscellaneous items totaling \$245,000.
 (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.