



EXECUTIVE VICE PRESIDENT—
BUSINESS OPERATIONS

OFFICE OF THE PRESIDENT
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January 30, 2014

Greg Rogers
Assistant Program Budget Manager for Capital Outlay
Department of Finance
915 L Street, Floor 9
Sacramento, CA 95814

Dear Greg:

Under the provisions of Assembly Bill No. 94, UC submitted ten capital outlay projects totaling \$202,812,000. Based on long-term debt for the total amount of \$202,812,000 amortized over 30 years at 7% interest¹, the estimated average annual debt service would be \$16,345,000 with a resulting total pledge of state funds for debt service of approximately 6% as follows:

For support	\$2,986,671,000
<u>Debt service - General obligation bonds FY14-15</u>	<u>(\$193,260,000)</u>
Total	\$2,793,411,000
Debt Service – 2014-15 UC Capital Outlay proposal	(\$16,345,000)
Debt Service – 2013-14 UC Capital Outlay proposal	(\$7,024,000)
New GRB Debt Service (Restructured SPWB Debt) FY14-15.....	(\$135,290,000)
Debt service – Merced, Classroom and Academic Support Office Building	(\$3,638,000)
San Diego, SIO Research Support Facilities ²	(\$463,000)
Riverside, Environmental Health and Safety Expansion ²	(\$1,289,000)
<u>Berkeley, Helios Energy Research Facility (Solar Energy Research Center)²</u>	<u>(\$2,418,000)</u>
Total UC Debt Service	(\$166,467,000) ³
Use of State funds for debt service (approx.)	6%

Your consideration and support of our 2014-15 Capital Outlay proposal is appreciated and I look forward to discussing this proposal with you. Please let me know if you have any questions and feel free to call me at 510-987-9101.

Sincerely,

 Patrick J. Lenz
 Vice President, Budget and Capital Resources

¹ The interest rate is a conservative estimate and is used for illustrative purposes only.
² The project was appropriated with State lease-revenue bonds; however, such bonds have not been issued for the project.
³ The debt service total cited is a prospective number. The actual commencement of debt service payments will depend on individual project milestones and completion.

Capital Outlay Request 2014-15

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cc: Associate Vice President Wylie
Associate Vice President Obley
Executive Director Kim
Director Bowen
Interim Director Santa Cruz
Administrative Analyst Olmos
Raghda S. Nassar, Department of Finance
Ryan Storm, Department of Finance