

UNIVERSITY OF CALIFORNIA

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SANTA BARBARA • SANTA CRUZ

EXECUTIVE VICE PRESIDENT—
CHIEF FINANCIAL OFFICER

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April 30, 2015

CHANCELLORS
VICE PRESIDENT ALLEN-DIAZ
DIRECTOR ALIVISATOS

RE: Approval of 2015-16 State Capital Outlay

In July 2013, Assembly Bill 94 Chapter 50, Section 8 added sections to the Education Code ("AB 94"), which allowed the University to utilize State General Fund appropriations as a repayment source, with conditions, for certain University issued revenue bonds. To date, nineteen projects have been approved through this process for the 2013-14 and 2014-15 Capital Outlay Programs, and those projects are in various stages of implementation. The four categories that are eligible for funding under this mechanism are: (1) seismic and life safety needs, (2) enrollment growth, (3) modernization of out-of-date facilities, and (4) renewal or expansion of infrastructure to serve academic programs.

For the 2015-16 State Capital Outlay Program, the University submitted fifteen projects totaling \$297.9 million in State capital outlay funds, to allow fifteen major capital projects to complete preliminary plans, working drawings, construction, and/or fund equipment. At their September 2014 meeting, the Regents considered and approved the 2015-16 Budget for State Capital Improvements that included these fifteen projects. In May, the Regents are considering the approval of the AB-94 related external financing for the 2015-16 program.

I would like to inform you of the approval by the State Department of Finance (DOF) of capital projects in the University's submittal for the 2014-15 fiscal year. I've attached the letter from the DOF Director, Michael Cohen that officially informed me of the decision regarding these projects.

The State continues to require their oversight of projects funded under this mechanism, with the view that these are State funds for State-supportable needs. These reviews have been delegated by the State to Office of the President. Guidelines may be found at http://www.ucop.edu/capital-planning/files/documents/gff_process_guidelines.pdf.

Sincerely,

A handwritten signature in black ink that reads "Nathan Brostrom".

Nathan Brostrom
Executive Vice President-Chief Financial Officer



University of California
San Francisco

Michael Clune
Acting Associate Vice Chancellor
Budget & Resource Management
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July 10, 2015

ASSOCIATE VICE PRESIDENT KIM
Office of Capital Markets Finance

**RE: Request for External Financing for Clinical Sciences Building Seismic
Retrofit and Renovation**

At this time we request \$21,735,000 of external financing serviced by State appropriations under the provisions of Section 92495 of the California Education Code (Assembly Bill 94, Chapter 50, Schedule 8), as authorized in the April 30, 2015 letter from Executive Vice President and Chief Executive Officer Brostrom to UC Chancellors. Enclosed please find the project draw schedule, with the \$21,735,000 draw scheduled to start August, 2015. Also attached is the Campus "Schedule A" and "Declaration of Official Intent to Reimburse Capital Expenditures from Proceeds of Taxable or Tax-Exempt Indebtedness".

Please let me know if you have any questions.

DocuSigned by:

A handwritten signature in cursive script that reads "Michael Clune".

AA74599114AC48C...

Michael Clune

Acting Associate Vice Chancellor – Budget and Resource Management

Attachments

Cc: Interim Senior Vice Chancellor Costantinidis
Associate Vice Chancellor and Controller Ellis
Director Rhine

COMMITTEE ON GROUND AND BUILDINGS

May 21, 2015

TO THE REGENTS OF THE UNIVERSITY OF CALIFORNIA

1. AMENDMENT OF THE BUDGET AND APPROVAL OF EXTERNAL FINANCING, CLINICAL SCIENCES BUILDING SEISMIC RETROFIT AND RENOVATION PROJECT, SAN FRANCISCO CAMPUS

The Committee recommends that:

- A. Subject to the concurrence of the Committee on Finance, the 2015-16 Budget for Capital Improvements and the Capital Improvement Program be amended as follows:

From: San Francisco: Clinical Sciences Building Seismic Retrofit and Renovation – preliminary plans, working drawings, construction, and equipment – \$91,468,000 to be funded from external financing (\$57,752,000), external financing supported by State appropriations under the AB 94 mechanism (\$24,535,000) and campus funds (\$9,181,000).

To: San Francisco: Clinical Sciences Building Seismic Retrofit and Renovation – preliminary plans, working drawings, construction and equipment – \$95,812,000 to be funded from external financing (\$57,752,000), external financing supported by State appropriations under the AB 94 mechanism (\$24,535,000), and campus funds (\$13,525,000).

- B. The President of the University be authorized to obtain external financing in an amount not to exceed \$57,752,000. The President of the University shall require that:
- (1) Interest only, based on the amount drawn, shall be paid on the outstanding balance during the construction period.
 - (2) As long as the debt is outstanding, the general revenues of the San Francisco campus shall be maintained in amounts sufficient to pay the debt service and to meet the requirements of authorized financing.
 - (3) The general credit of the Regents shall not be pledged.
- C. Approval of the Regents shall be required for any further increase in budget or scope.

- D. The President, in consultation with the General Counsel, be authorized to execute all documents necessary in connection with the above and to make changes in the terms that do not materially increase the cost of the project or the obligations of the Regents.
- E. The Regents find that the July 2014 California Environmental Quality Act (CEQA) determination that the project is Categorical Exempt under Class 1 and 31 remains in effect, and no further CEQA action is required.

Committee vote: Regents Makarechian, Saifuddin, Sherman, Varner, and Zettel voting “aye.”

Board vote: Regents De La Peña, Elliott, Engelhorn, Gould, Kieffer, Lansing, Leong Clancy, Lozano, Makarechian, Napolitano, Ortiz Oakley, Reiss, Ruiz, Saifuddin, Sherman, Varner, and Zettel voting “aye.”

2. AMENDMENT OF THE BUDGET AND SCOPE, APPROVAL OF EXTERNAL FINANCING, AND APPROVAL OF DESIGN FOLLOWING ACTION PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT, BERKELEY WAY WEST PROJECT (TOLMAN HALL SEISMIC REPLACEMENT), BERKELEY CAMPUS

A. The Committee recommends that:

- (1) The 2014-2015 Budget for Capital Improvements and the Capital Improvement Program be amended as follows:

From: Berkeley: Tolman Hall Seismic Replacement – preliminary plans, working drawings, construction, and equipment - \$150 million to be funded from external financing (\$75 million) and external financing supported by State appropriations (\$75 million).

To: Berkeley: Berkeley Way West (Tolman Hall Seismic Replacement) – preliminary plans, working drawings, construction, and equipment – \$185 million to be funded from external financing (\$110 million) and external financing supported by State appropriations (\$75 million).

- (2) The scope of the Berkeley Way West (Tolman Hall Seismic Replacement) project shall consist of constructing an eight-story, 325,000 gross square foot (gsf) building that will provide approximately 230,000 gsf of academic and research space and approximately 95,000 gsf of leasable space.