

Approved

COMMITTEE ON GROUNDS AND BUILDINGS
September 20, 2007

TO THE REGENTS OF THE UNIVERSITY OF CALIFORNIA

**A. AUTHORIZATION TO SUBMIT APPLICATIONS FOR PROPOSITION 71
GRANT FUNDING FOR MAJOR FACILITIES GRANTS AND TAKE RELATED
ACTIONS TO RECEIVE FUNDING**

With the concurrence of the Committee on Finance, the Committee recommends that:

1. The Regents authorize the chancellors to submit applications for Proposition 71 grant funding for California Institute for Regenerative Medicine Major Facilities Grant Program.
2. The Regents authorize the President or his designee, after consultation with the General Counsel, to execute grant contract documents and take such further actions, including but not limited to:
 - a. The establishment of a mechanism for financial transactions.
 - b. Execution and delivery of such additional, related instruments, certificates, statements, and documents as are reasonably required to obtain the Grants.
3. Any action taken by the President or his designees, in furtherance of the matters authorized by the foregoing actions, is hereby ratified, approved, and confirmed as the act and deed of The Regents.
4. Approval of the individual capital projects, including its financial feasibility, for which the grant funding would be applied, will follow the standard University approval practices.

**B. AMENDMENT OF THE BUDGET FOR CAPITAL IMPROVEMENTS AND THE
CAPITAL IMPROVEMENT PROGRAM AND APPROVAL OF EXTERNAL
FINANCING, CLARK KERR CAMPUS RENEWAL, BERKELEY CAMPUS**

The Committee recommends that:

1. The 2007-08 Budget for Capital Improvements and the Capital Improvement Program be amended to include the following project:

Berkeley: Clark Kerr Campus Renewal – preliminary plans, working drawings, construction and equipment – \$135,350,000, to be funded from external financing (\$128,600,000) and the Berkeley campus's share of the University of California Housing System Net Revenue Fund (\$6,750,000).

2. The President be authorized to obtain external financing not to exceed \$128,600,000 to finance the Clark Kerr Renewal 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. As long as this debt is outstanding, University of California Housing System fees for the Berkeley campus shall be established at levels sufficient to provide excess net revenues sufficient to pay the debt service and to meet the related requirements of the proposed financing;
 - c. The general credit of the Regents shall not be pledged.
3. The 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 deferral income taxation under existing law.
4. The Officers of the Regents be authorized to execute all documents necessary in connection with the above.

C. AMENDMENT OF THE BUDGET FOR CAPITAL IMPROVEMENTS AND THE CAPITAL IMPROVEMENT PROGRAM AND APPROVAL OF EXTERNAL FINANCING, TELEMEDICINE AND PRIME-HEQ EDUCATION FACILITY, SAN DIEGO CAMPUS

The Committee recommends that:

1. The 2007-08 Budget for Capital Improvements and the Capital Improvement Program be amended as follows:

From: San Diego: Telemedicine and PRIME-HEq Education Facility – preliminary plans, working drawings, construction, and equipment – \$59,170,000, to be funded from State funds (\$35,000,000), gift funds (\$20,375,000), campus funds (\$3,295,000), and University funds (\$500,000).

To: San Diego: Telemedicine and PRIME-HEq Education Facility – preliminary plans, working drawings, construction, and equipment – \$60,227,000, to be funded from State funds (\$35,000,000), external financing (\$20,457,000),

capitalized leases (\$1,950,000), campus funds (\$2,320,000), and University funds (\$500,000).

2. The President be authorized to obtain external financing not to exceed \$20,457,000 to finance the Telemedicine and PRIME-HEq Education Facility, 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 financing shall be from the San Diego Campus share of the University Opportunity Fund.
 - c. The general credit of The Regents shall not be pledged.
3. The Officers of The Regents be authorized to provide certification that interest paid by The Regents is excluded from gross income for purposes of federal income taxation under existing law.
4. The Officers of The Regents be authorized to execute all documents necessary in connection with the above.

D. ANNUAL REPORT ON APPROVALS OF CHANCELLORS' RESIDENCES AND OTHER CAPITAL PROJECTS FOR THE YEAR ENDED JUNE 30, 2007

The Committee reports its acceptance of, in accordance with the Schedule of Reports, the annual report on *Chancellors' Residences and Other Capital Projects* for the year ending on June 30, 2006.

E. AMENDMENT OF THE BUDGET FOR CAPITAL IMPROVEMENTS AND THE CAPITAL IMPROVEMENT PROGRAM AND APPROVAL OF EXTERNAL FINANCING, STUDENT ATHLETE HIGH PERFORMANCE CENTER, BERKELEY CAMPUS

The Committee recommends that, subject to a decision by the court in favor of the University in the matter of pending litigation concerning this project, and with concurrence of the Chairs of the Board of Regents, the Committee on Grounds and Buildings, and the Committee on Finance, the President be delegated the authority to:

1. Amend the 2007-08 Budget for Capital Improvements and the Capital Improvement Program as follows:

From: Berkeley: Student Athlete High Performance Center – preliminary plans, working drawings, construction, and equipment – \$111,948,000, to be funded from gift funds.

To: Berkeley: Student Athlete High Performance Center – preliminary plans, working drawings, construction, and equipment – \$117,448,000, to be funded from gift funds (\$17,448,000) and external financing (\$100,000,000).

2. The President be authorized to obtain external financing not to exceed \$100 million to finance the Student Athlete High Performance Center (SAHPC) 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 the debt shall be from the Berkeley campus football program gross revenues and the income earned on the SAHPC Initiative Fund, which shall be sufficient to meet operating expenses, pay debt service. and meet requirements related to the financing.
 - c. The general credit of The Regents shall not be pledged.
3. The President to be authorized to obtain standby financing not to exceed \$6,248,000, prior to awarding a construction contract for any gift funds not received by that time and 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 gift funds and, in the event such gift funds are insufficient, from the Berkeley campus football program net revenue.
 - c. The general credit of The Regents shall not be pledged.
4. 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.
5. Officers of The Regents be authorized to execute all documents necessary in connection with the above.