

The Regents of the University of California

**COMMITTEE ON GROUNDS AND BUILDINGS
COMMITTEE ON FINANCE**

January 16, 2002

The Committees on Grounds and Buildings and Finance met jointly on the above date at Covell Commons, Los Angeles campus.

Members present: Committee on Grounds and Buildings: Regents Atkinson, T. Davis, Hopkinson, O. Johnson, S. Johnson, Kozberg, Morrison, and Seymour; Advisory member Sainick
Committee on Finance: Regents Atkinson, Hopkinson, S. Johnson, Kozberg, Lee, Montoya, Morrison, Parsky, and Preuss; Advisory member Ligot-Gordon

In attendance: Regents Bagley, Davies, Marcus, and Sayles, Regent-designate Terrazas, Faculty Representatives Binion and Viswanathan, Secretary Trivette, Associate Secretary Shaw, General Counsel Holst, Treasurer Russ, Provost King, Senior Vice Presidents Darling and Mullinix, Vice Presidents Broome, Drake, Gurtner, Hershman, and McTague, Chancellors Berdahl, Bishop, Cicerone, Dynes, Greenwood, Orbach, Tomlinson-Keasey, Vanderhoef, and Yang, and Recording Secretary Bryan

The meeting convened at 12:15 p.m. with Committee on Grounds and Buildings chair Kozberg presiding.

1. REPORT ON 2002-03 GOVERNOR'S BUDGET

Vice President Hershman recalled that the State is facing many financial problems because of a national economic recession and that the Governor had asked the University to consider how a budget cut of up to 15 percent could be implemented. He reported that discussions with the Department of Finance focused on the options for budget cuts that had been discussed with the Regents at meetings during the past several months. The views expressed at those meetings by Regents emphasized protecting the quality of core programs.

Mr. Hershman commented first on the general budget. He noted that the Governor has acknowledged that the State has a budget deficit of about \$12.5 billion and has indicated that he will take actions that will defer the handling of some of the problems to later years, hoping that the economy will improve in the interim. Revenue estimates set personal income growth at 2.6 percent for the year 2002 and at 7.5 percent by 2003. Budgets for the last few years have been built on an unprecedented increase in capital gain stock option revenue for the General Fund, which increased from \$2.5 billion in 1995-96 to \$18 billion in 2000-01. This year it is expected to decrease

to \$9 billion. This huge decline is the main cause of the budget deficit. The Governor's budget assumes that energy bonds will be sold. No tax increases are proposed. To balance the budget, the Governor is making cuts in the current year and in the next year of just over \$5 billion. He is assuming that about \$1 billion more in federal money will be available, mostly related to Medicaid and to the funding of homeland security. He is also using loans, accelerations, and transfers, including borrowing \$2.5 billion from a settlement with tobacco companies, which will mean diminished funds for health programs funded from that settlement. He is postponing payments to the Public Employees Retirement System by \$800 million, and he is borrowing from special funds. Mr. Hershman believed that, given the Governor's tactic of postponing expenditures to future years, the University will experience very tight budgets for the next two years. The University will probably not receive any funds over and above those provided for by the Partnership. There will be no restoration of past losses.

Mr. Hershman reported that the Governor is treating various State agencies similarly to the way in which he is treating the University. His basic strategy seems to be to hold all budgets where they are for a three-year period. The Legislature in its review of the budget will analyze the impacts of this strategy, but Mr. Hershman observed that the Governor's only other option would be to make even larger budget cuts, causing institutions like the University, which have no guaranteed funding, to suffer dramatically.

Mr. Hershman commented that the Governor's budget for the University protects the core academic program. There are no cuts to funding for research or maintaining the student-faculty ratio and the planned enrollment level. There were current-year reductions in the University's extra money for energy, the California Professional Development Institutes, and the K-12 internet program. To fund the Institutes for Science and Innovation, the Governor shifted general funds to the operating budget and funded all the capital outlay from lease-revenue bonds. This will allow the University to complete the construction of all four of the institutes.

Concerning the core partnership, Mr. Hershman reported that instead of an anticipated 4 percent increase to pay for salaries and other inflation costs, the University will receive only 1.5 percent. If there is any extra money at the end of the process, that may be increased to 2 percent. Under the Partnership Agreement, the State agrees to an increase in student fees related to growth in California per capita income or gives the University a fee buy-out. The Governor has asked the University not to increase fees for 2002-03 but is not providing any buy-out. There may be some relief in this area, however, before the budget is approved. The Governor did provide full funding for the Davis campus to proceed with summer enrollment.

University income from the fees related to enrollment growth and the University's General Fund income buys the continuation of 2001 salary increases, which were effective October 1. There is sufficient money to fund merit increases, but there is no

money to fund cost-of-living increases beyond that. With so little money available, employees will be asked to contribute more toward their health benefits.

Mr. Hershman reported that the Governor's budget eliminates bonus money related to financial aid that was produced when the State reduced student fees. Although the State had let the University keep the financial aid money when the economy was strong, it can no longer afford to do so. There are reductions in the California Subject Matter projects of \$4 million and in the outreach program of \$4.2 million. An effort was made to protect core outreach programs, but large cuts were made in some others. He believed that it may be necessary to try to rearrange these priorities. Funds for outreach will total \$290 million.

Mr. Hershman was pleased to report that the Governor's capital budget provides full funding for seven building projects on various campuses. It will also fund infrastructure and a third building on the Merced campus.

The Governor has decided to support \$10 billion in bonds for all of education in each of the next three elections, or \$30 billion over six years, the University's share of which will be about \$330 million. Unfortunately, although the Governor provided \$200 million to get UC Merced started, from now on the money for that campus will have to come out of the University's general \$330 million allocation.

Mr. Hershman emphasized that the University will fight hard for the Governor's budget to be approved but will also fight for more money for salaries.

Regent-designate Ligot-Gordon expressed concern about cutting funds for outreach programs, particularly student-initiated outreach. Mr. Hershman commented that both the Governor's and the University's guiding principle in making cuts to outreach programs was to protect core activities, which necessitated making cuts in specific areas while avoiding a significant impact overall. He reiterated that the University would be working with the Department of Finance and the Legislature to rearrange some of the details of the proposed outreach budget.

Chairman S. Johnson recalled that the University had spent the past ten years trying to recover from budget cuts in the late 1980s and early 1990s that had caused faculty salaries to fall far behind those of comparative institutions. She believed that, unless the State is willing to provide more money for salaries, the Regents will have no alternative but to raise student fees. She believed it was unfair to spend \$290 million on outreach, which does not fall within the University's mission, when the quality of the University's educational mission was being threatened. Mr. Hershman observed that if the Governor's budget for the University is approved without augmentation, faculty salaries will fall about 7 percent behind its comparison institutions. He noted that the University has made it clear to the Department of Finance and to legislative committee consultants that maintaining quality is its highest priority.

Regent Hopkinson believed it was critical not to require employees to increase their contributions for healthcare coverage, particularly in light of their minimal salary increase. She asked whether State employees were affected similarly. Mr. Hershman reported that State employees are receiving no pay increase but are not being asked to pay more for their health benefits. He believed that if it were possible to get an increase in the cost-of-living allocation, more funds could be directed toward salary increases and health benefits.

Regent Bagley was skeptical that the Governor's budget will be passed by the Legislature. He believed that increasing student fees would be the only avenue open to The Regents if the budget is not passed. Mr. Hershman was optimistic that, when the Legislature tries to come to grips with the problem, out of necessity it will accept the Governor's proposals for funding cuts.

Regent-designate Terrazas reported that the alumni electorate will need to be mobilized in an effort to support the three bond measures planned by the Governor. He asked what percentage the University would receive and what it would spend the money on. Mr. Hershman responded that the bond money is divided 80 percent for K-12 and 20 percent for higher education, of which portion the University would receive one-third. The University has planned based on a five-year program that assumes \$330 million a year plus extra money for UC Merced. With the UC Merced money having to come from the University's overall allocation in the future, the plan will have to be revised.

Regent T. Davis cautioned against increasing student fees. She believed that doing so would cause students to drop out of school. Maintaining low student fees has helped students manage the high housing costs in California and increases in the cost of living. President Atkinson reminded the Regents that the University's fees are among the lowest nationwide and that half of any increase in student fees always goes to financial aid. He recalled that the University had tried to come to an understanding with the Governor that there should be defined but gradual fee increases. Mr. Hershman noted that the University and the California Postsecondary Education Commission are attempting to devise a long-term fee policy that families can use in their planning and that will take the setting of fees out of the political arena.

Regent Lee suggested that the University approach the Legislature about relieving the cost of outreach by making it primarily the responsibility of K-12 and providing the necessary funds. Mr. Hershman noted that the Legislature had provided general fund augmentations to the University to pay for its extensive outreach program. Unfortunately, the budget for outreach was based on the assumption that capital gain and stock option revenue would be permanent. It is the view of the Legislature that the money is better spent in giving the University the job of conducting outreach than if it gave the money to K-12. He emphasized that the crux of the dilemma is that the Governor does not want the University to increase student fees but is unprepared to buy them out, as has been the State's policy in past years.

The Committee recessed at 1:05 p.m.

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The Committee reconvened at 2:05 p.m.

The discussion of the following three items pertaining to UC Merced appears at the end of the background of item 4.

2. **CERTIFICATION OF ENVIRONMENTAL IMPACT REPORT AND APPROVAL OF LONG RANGE DEVELOPMENT PLAN, MERCED CAMPUS**

The President recommended that, upon review and consideration of the environmental consequences of the Long Range Development Plan, as described in the Merced Campus Long Range Development Plan Final Environmental Impact Report, the Committee on Grounds and Building recommend:

- A. Certification of the Final Environmental Impact Report for the Merced campus Long Range Development Plan.
- B. Adoption of the Mitigation Monitoring Program for the Final EIR.
- C. Adoption of the Statement of Overriding Consideration included in the Findings.
- D. Adoption of the Findings pursuant to the California Environmental Quality Act.
- E. Approval of the Long Range Development Plan, Merced campus.

It was recalled that the Merced campus is the first new campus of the University of California to be established since the mid-1960s. It is also the first major research university to be built in the 21st century in the United States.

History of Site Selection and Planning Process

The site of the campus consists of approximately 1,800 acres of grasslands used for cattle grazing and approximately 200 acres of land developed as a golf course. The Virginia Smith Trust (VST), a charitable trust that funds scholarships for higher education for local high school students, owns the major portion of the property, including the golf course. The VST governing board consists of five members who also serve as the Merced County Board of Education.

In May 1995, The Regents certified a prior EIR for the selection of a site, approved the selection of Merced as the location for the new campus, and authorized entering

into an option agreement with VST. The option agreement provided that the University could select 2,000 acres for the campus from a designated area of 2,550 acres within the overall VST holdings of over 7,030 acres.

The University, the County of Merced, VST (and a related trust, the Cyril Smith Trust), the City of Merced, and the Merced Irrigation District jointly developed a planning concept for the new campus and a University Community that would be adjacent to and serve the needs of the campus. It was determined that a campus site in the southwestern corner of the VST holdings and development of the adjacent University Community on contiguous land to the south of the VST would reduce significantly any environmental impacts of the campus and University Community. The County of Merced developed a plan for a University Community and an associated Environmental Impact Report (EIR), while the University developed the campus Long Range Development Plan (LRDP) and EIR. It is anticipated that the Merced County Board of Supervisors will be asked to approve the County's plan and EIR in early 2002, subsequent to consideration by The Regents of the campus LRDP and EIR.

A gift from the David and Lucile Packard Foundation will provide the means to implement critical aspects of the LRDP and the University Community Plan. Funds from the Packard Foundation will permit the University to acquire the entire 7,030-acre holdings of VST and for VST and the University to acquire jointly a portion of the area planned for the University Community. The University will retain approximately 1,800 acres of the VST holdings for the campus, some of which will be used as a natural reserve and a campus land reserve, with the balance of the VST holdings being placed into conservation easements as mitigation for the impacts of the campus. Approximately 200 additional acres currently owned by the County of Merced will be used for campus-related purposes or jointly planned recreational facilities.

Summary of Long Range Development Plan

The purpose of the LRDP is to provide a comprehensive physical development and land use plan to guide future development of the Merced campus from the initiation of its first facilities as infrastructure improvements. The LRDP also establishes a primary vision for the campus, articulating the underlying ideas that have framed the siting, layout, and character of the new campus. The LRDP is intended to serve as a general guide to the campus physical development. Except for portions of Phase 1, the LRDP does not propose a commitment to any specific project, construction schedule, or funding priority.

Major Components of the LRDP

To guide campus physical development, the Chancellor of the Merced campus has articulated five principles:

- The campus must capture the wonder and majesty of the University of California through establishment of a sense of place which reflects the quality and substance of the University and a sense of beauty which attracts top quality students and faculty.
- As the first UC research university to open in the 21st century, the campus must be at the forefront of technological change.
- The campus must seek to welcome and accommodate students from throughout the San Joaquin Valley and California, especially those from groups that have been under-represented historically at the University of California.
- It must attempt to achieve a high level of resource conservation, such that materials and energy used to build the campus and maintain it do not deplete resources available to future generations.
- It must set an example for urban growth in the San Joaquin Valley, showing how increases in population can be accommodated while preserving and sustaining the agricultural and environmental bases of its economy and ecosystem.

Determinants of the Physical Plan

A. *Academic Program*

Campus academic planning is based on the long-range goal of developing a distinguished general campus of the University of California and is guided by the following principles: fulfill the University's mission of excellent teaching, research, and public service; create strong graduate and undergraduate programs; build an educational network in the San Joaquin Valley; link the campus technologically to the world; cooperate with UC campuses, national laboratories managed by the University, California State University campuses, California Community Colleges, and K-12 schools; integrate the University and community; and reflect the poetry of the Valley. Physical development of the campus itself will contribute to another educational goal for UC Merced, an attention to sustainability that infuses the teaching and research mission of the campus, as well as the co-curricular program for students.

The campus will emphasize links among disciplines and keep barriers between academic areas as low as possible. Three academic divisions, each headed by a dean, will be formed as follows: Division of Natural Sciences, Division of Engineering, and Division of Social Sciences, Humanities and Arts. The divisions will not open with formal departments, although departmentalization likely will evolve. Each division will develop a small number of areas in depth at the outset, to allow development of early distinction through gathering groups of outstanding faculty in target fields. Professional schools and programs will be added as the campus grows and develops, with the anticipated development of a school of management within the first five years.

Promising areas for initial developments in the Division of Engineering during the first five years include, but are not limited to, computing and communications, energy and environmental resources engineering, biotechnologies, and nanosystems and microsystems engineering. Biotechnology research across the range of engineering disciplines, environmental monitoring and assessment, and informatics, including emerging information technologies, will be targets for early research development. The Division also will work aggressively through innovative K-12 outreach programming to diversify the student body in engineering.

The Division of Natural Sciences will develop the core areas necessary for a strong science and technology campus: the biological sciences, chemistry, earth sciences, mathematics, and physics. Promising early areas of research excellence that would draw on both natural sciences and engineering include biotechnology and structural biology, environmental sciences, and materials sciences. A nanotechnology emphasis in engineering holds promise for a collaborative focus on nanoscale issues in physical and inorganic chemistry, biochemistry, and X-ray laser physics.

The Division of Social Sciences, Humanities, and Arts will comprise about half the faculty at opening day. This faculty will be organized in both traditional and innovative ways. A promising approach is a division of disciplines according to whether they depend on quantitative or textual approaches, with expressive studies included among textual fields. Innovative groupings might also include organizations around methodological approaches. For example, a political and economic affairs group would include political science, economics, environmental studies, legal studies, sociology, anthropology, philosophy, and history. A human interactions and productions group would include politics, anthropology, economics, psychology, sociology, literature, and the arts.

Individual faculty will develop a range of areas of research strength for UC Merced that will be supported by the facilities envisioned in the Long Range Development Plan. In addition, a series of formal organized research units will focus interdisciplinary faculty research strengths and resources on a selected number of critical problems. These research institutes will contribute to realizing the principle of excellence in research from the outset.

UC Merced is planned to open with two signature research institutes. The Sierra Nevada Research Institute will focus on critical issues affecting the Sierra Nevada and San Joaquin Valley, including population growth and development, water and watersheds, air quality, fire ecology, biodiversity, climate change, transportation, resource management and policy, and public recreation. The World Cultures Institute will bring together humanists, social

scientists, and artists to study the migration of peoples and the historical and cultural consequences.

The curriculum will be organized to encourage collaboration across traditional disciplinary lines and also will be built around core fields, especially those in high demand elsewhere in the University. General education will focus on small, interactive teaching groups. The plan for lower division education will embody the core philosophy of maintaining small interactive groups within a large organization.

B. *Enrollment and Housing Needs*

Enrollment will begin with 1,000 students in fall 2004, increase to 2,000 students the following year, and add 800 students each year thereafter. The proportion of graduate students is expected to grow from 10 percent at opening to 15 percent by the 10th year of operation. The LRDP defines a campus that can accommodate a total of 25,000 students: 21,500 undergraduates and 3,500 graduate students, plus 6,600 faculty and staff.

The campus has established a goal of housing 50 percent of its students on campus. This goal is based on sound principles of educational outcomes and academic community quality, as well as a desire to lessen impacts on the surrounding region. Provision of housing for freshman and undergraduate transfer students can be correlated to successful retention rates. In addition, land has been set aside to house 50 percent of the ultimate campus faculty population, based on experience of the existing UC campuses.

C. *Campus Land Area Requirements*

The 2,000 acres of the campus are divided as follows:

- 750 acres of land to be designated as a Campus Natural Reserve. This area would be maintained permanently in an undeveloped state and dedicated to scientific research and education. The area would include vernal pool and grassland habitat with not only biological resources but also unique landforms and rare soils of significant geological interest. The campus is seeking its inclusion in the University's Natural Reserve System.
- 340 acres of land to be designated as a campus land reserve. This area would be contiguous to the main campus area to preserve the future opportunity for uses that are presently unforeseeable.
- 910 acres of land to be fully developed as the main campus when the campus reaches an enrollment of 25,000 students. This acreage requirement is based on a careful assessment of the needs of a complete university for academic areas, services and support, housing,

athletics and recreation, and circulation and parking. The land use requirements of existing UC campuses and other major research universities were analyzed to determine the acreage for these uses.

D. *Physical Setting*

The campus site is immediately east of the Lake Yosemite Regional Park and at the southern boundary of the VST holdings, at the outermost edge of the lowest part of the Sierra Nevada foothills. The topography is gently rolling, north and east toward the foothills and south to the flat valley floor surrounding the City of Merced. The southwest corner of the campus site is developed as a golf course. Beyond the golf course fence, except for a barn and sole eucalyptus tree, the site features only grasses and, in spring, vernal pools, some of which are habitat to protected plant and animal species. The park that forms the west site boundary is richly landscaped along the eastern shore of a lake fed by water diverted from the Merced River. Two irrigation canals from the lake cross the campus site on their way to the fields and orchards of eastern Merced County. The larger canal forms a giant loop enclosing a swale that drains most of the site.

The Campus Plan

The academic core of the developed campus would be located between an expanded park edge to the west and a large open space for recreation and athletics within the swale. The lake and adjacent park offer a landscape amenity of great value to the campus, particularly in the early years, when the campus will have no mature trees and limited recreational facilities. Major pedestrian streets would create the social heart of the campus. "Main Street" would roughly parallel the lake shore and extend from the library to a park created at the barn site. A cross street would link the campus Main Street to the Town Center to the southeast. While not part of the campus, the Town Center development would be integrated with it.

The placement of academic facilities would follow the concepts of the academic planning and major divisions of the campus. The Social Sciences, Humanities and Arts academic neighborhood would be around the library. The Engineering and Natural Sciences neighborhood would parallel Main Street, and most of its buildings would be aligned along a utility tunnel to maximize energy conservation and minimize infrastructure costs. Mixed uses along Main Street would also accommodate uses that support student life, such as dining halls, informal dining venues, book stores, and student service offices. Professional schools and research institutes would be located on the edge of the campus core.

Residential neighborhoods would be located on three sides of the academic core and to the east of the recreation areas within the swale. A continuous grid of circulation corridors would provide clarity and simplicity in moving about the campus and would

expand as the campus grows. Juxtaposed to these corridors would be curving pathways following the canals framing the major open-space and recreational areas.

The campus circulation would be planned to accommodate the full variety of transportation modes, while emphasizing alternatives to the automobile. Bicycles, transit, and pedestrians will all be accommodated from opening day, and the grid of transportation corridors will accommodate a variety of modes as the campus evolves, while restricting automobiles in the center of the campus core. The campus will be served by several arterial roads as it grows, and these, in turn, will be connected to a campus parkway being developed by the County.

Campus utilities will be developed in a series of nodes connected by a utility corridor. Chilled water will be distributed to all campus buildings and hot water to science buildings and other facilities close to the utility corridor. It is anticipated that water and wastewater systems initially will be connected to existing systems, but on-campus recycling systems may later be developed. Gas and electricity will be supplied from off site, although UCM intends to evaluate the potential option of on-campus generation of electrical power. Storm water will be managed to maximize use of the natural hydrologic system, with retention ponds where required in the swale areas.

Phasing

Phase 1 will accommodate all the buildings needed for the campus from opening day in 2004 to the 2007-08 academic years. All the necessary buildings may be located on the portion of the developed golf course that is not subject to environmental permit requirements. At opening day the campus will consist of the following:

- A core of State-funded buildings, including a library and information technology center, a science and engineering building, a classroom and office building, and a central plant facility.
- Housing for approximately 600 students in a variety of units.
- Food service facilities.
- Recreational, wellness, and athletic facilities to serve students in the first years of operation.
- Parking on surface lots.
- Roads, bridges, and utilities systems.

By 2007-08 the following additional facilities are envisioned:

- A second science and engineering building and a social sciences building.
- A campus logistical support services facility for environmental health and safety, police and fire, and other campus service operations.
- Additional playing fields and recreational facilities.
- Additional housing for approximately 1,600 students (by 2008-09).
- Additional parking.

Future phases of the campus are planned to grow with minimum disruption to the occupants of the first-phase buildings and minimal infrastructure extension costs at each phase. It is anticipated that the campus would grow from the edge of Phase 1 generally to the north, while the University Community Town Center would begin development to the south.

Building Design

The Long Range Development Plan incorporates concepts to guide the design of buildings, particularly to emphasize the principle of sustainability. These include:

- Climate appropriateness: Buildings should provide summer shade and winter sun through size, shape, and orientation.
- Local materials: Use of local materials will stimulate the local economy and reduce the environmental impact of hauling materials.
- Thermally high-performing walls: Concrete or masonry walls can dampen the impact of harsh summers by creating building mass that cools at night and absorbs heat in the day.
- Natural daylight and natural ventilation: Buildings should be shaped to bring natural light to interior spaces.
- LEED TM certification: Achievement of sustainability goals should be measured by the national standard of Leadership in Energy and Environmental Design certification program.

Summary of Environmental Impacts

In accordance with the California Environmental Quality Act and University procedures for implementing CEQA, an EIR was prepared for the UC Merced LRDP. Volume 1 of the EIR assesses the potential environmental effects of implementation of the LRDP, identifies means to eliminate or reduce potential adverse impacts, and evaluates a reasonable range of alternatives to the LRDP. In addition to evaluating the overall long-term environmental impacts associated with the full development of the LRDP, Volume 2 of the Draft EIR analyzes the project-level environmental impacts associated with the first phase of development on the UC Merced campus (2004-5 through 2007-8 academic year), referred to as the Phase 1 Campus.

On February 15, 2001, the University issued a Notice of Preparation (NOP) announcing the proposed preparation of the EIR and describing the proposed scope. The NOP was circulated to responsible agencies, interested groups, and individuals for a 30-day review period (February 15, 2001 to March 15, 2001).

The Draft EIR for the LRDP was issued on August 13, 2001, and initially circulated for public review and comment for a 45-day period scheduled to end on September 27, 2001. In response to several requests, the public review and comment period was extended an additional week to October 4, 2001. The Draft EIR was widely circulated

beginning on August 13, 2001 using the following methods: (1) copies were made available at several libraries, information repositories, and the UC Merced project office in the Merced area; (2) a copy was posted on a web site jointly hosted by UC Merced and Merced County; (3) and hard copies as well as CDs of the document were mailed to all people who requested one. The availability of the document was publicized through a Notice of Availability in the Merced Sun Star as well as a mass mailing of the notice to interested parties, issuance of a press release, and several other methods.

Approximately thirty people representing elected officials, organizations, and individuals provided comments on the Draft EIR at the public hearing held on September 13, 2001. In addition, approximately 100 letters were received during the public comment period, including those from federal, State, and local government agencies and officials, organizations and groups, and individuals. These officials, organizations and individuals commented on the analysis in the Draft EIR, requested additional environmental information, and provided their views on the merits of the project. Volume 1 of the Final EIR, dated January 2002, contains a detailed response to the comments received on the draft EIR, which relate to environmental issues. These responses are organized by resource area. Volume 2 of the Final EIR contains a revised summary of impacts and mitigation measures, and text changes to the Draft EIR. Volume 3 of the Final EIR contains the comment letters received on the Draft EIR and a transcript of the public meeting. The Mitigation Monitoring Program is bound as a separate document.

Impacts

Implementation of the LRDP, including the Phase 1 Campus, has the potential to result in several significant impacts on the environment. A detailed summary of these impacts is included in the Findings and in the Executive Summaries in Volumes 1 and 2 of the Draft EIR. Many of these impacts can be reduced to less than significant levels following implementation of proposed mitigation measures; however, significant and unavoidable impacts from the LRDP and Phase 1 Campus implementation would remain even after implementation of mitigation measures in some categories.

Alternatives

The EIR analyzes four sets of alternatives to the LRDP for a total of 25 alternatives. The first set examines whether changes in campus sizes and locations on the Virginia Smith Trust property would reduce or avoid the LRDP's environmental impacts. The second set examines whether relocating the main campus elsewhere on the VST property could accomplish the project objectives and reduce the LRDP's environmental impacts. The third set examines a range of off-site alternatives to the LRDP, including the former Castle Air Force Base, and other locations in Merced County. Finally, the fourth set updates information about sites that were previously

considered in the 1995 Site Selection EIR, including Table Mountain, Academy, and other sites near Fresno. In addition, the CEQA-required "No-Project" alternative was analyzed.

Mitigation Monitoring Program

The UC Merced campus would be responsible for implementing all mitigation measures identified in the EIR. To assure that mitigation measures are implemented in accordance with CEQA, a Mitigation Monitoring Program has been prepared as a separate document. The Program provides a reporting mechanism for the changes to the proposed project that are made conditions of approval to mitigate or avoid significant effects on the environment.

Mitigation Cost

The University project also represents for the Merced Community and San Joaquin Valley overall a significant investment by the State of California. The State will have made a \$350 million to \$400 million dollar investment in the Merced area in various projects including construction of the first phase of the campus parkway and the development of a natural resource preservation plan in Eastern Merced County. Mitigation measures require a balancing of contributions by the State towards the project.

A significant enhancement of the region's economy will come with the University of California campus, including a broader base of employment and an improvement in the levels of employment, with emphasis on knowledge-based occupations. The University brings a population that will provide a significant new tax base, assisting community growth. The creation of jobs and procurement of goods and services by the University will stimulate the Merced economy. A major reason for the Merced leadership's request to The Regents to locate a campus in Merced was this anticipated economic stimulation and State investment. The University's obligations with respect to the mitigation measures need to be assessed in such a way as to take into account the factors noted above; as future individual mitigations are evaluated, the University will take into account the balance of these factors as well as available funding sources.

The University estimates the costs of mitigation in Phase 1 of the campus development to be approximately \$1.1 million, which will be covered mainly in the associated capital project budgets. These include various required studies and environmental control activities. A traffic light and road expansion required at a major intersection is estimated to cost \$350,000 and will be covered by the campus budget. In addition, as the campus proceeds in acquiring all the necessary permits from the Army Corps of Engineers and other agencies, additional mitigation costs associated with these permits are anticipated, including various resource management plans. The costs associated with these Phase 1 permits and plans are estimated to be in the range of \$2 million to \$2.7 million. These costs will be absorbed in the campus budget

consistent with similar agreements at other UC campuses. Some funds might be sought from special State programs to assist with wetlands creation or restoration and certain other goals. An additional source may be special private gifts or grants. Long-term mitigation costs will be partially dependent on additional phases of campus construction. Cost related to resource management and environmental control activities may be partially covered in future capital project budgets. While difficult to estimate, it is the University's belief that the fair share cost associated with the long-term traffic mitigation costs is estimated to be approximately \$7 million over a span of 20 years or more. These costs shall not be covered in the capital project budgets and shall be consistent with the requirements of CEQA. These measures and associated cost would satisfy full build-out requirements of the LRDP and enrollment of 25,000. The campus agrees to bear all costs associated with these traffic mitigations consistent with similar agreements at other UC campuses.

Relationship of LRDP EIR to the University Community Plan EIR and Natural Communities Conservation Plan/Habitat Conservation Plan

University Community Plan

A University Community is being planned in conjunction with the LRDP. These efforts are described in a University Community Plan (UCP) that will guide future development of the community adjacent to the proposed campus. Because preparation and adoption of a UCP and Area Plan is within the County's jurisdiction and authority, the County is the lead agency for preparation of the EIR for the UCP. The Merced County Board of Supervisors will consider the UCP and UCP EIR for approval and certification.

Implementation of the UCP has the potential to result in several significant impacts on the environment. A detailed summary of these impacts is included in the Summary of Impacts and Mitigation Measures in the UCP EIR.

The combined, cumulative impacts of both the LRDP and UCP projects were considered in each of the EIRs.

Natural Communities Conservation Plan/Habitat Conservation Plan

Merced County, the University, the Department of Fish and Game, and the U.S. Fish and Wildlife Service are collaborating on the development of a regional conservation plan for eastern Merced County under the California Natural Community Conservation Planning Act and the federal Endangered Species Act. The Natural Community Conservation Plan/Habitat Conservation Plan (NCCP/HCP) is a multiple-year effort. The NCCP/HCP and associated actions taken by the participating agencies will be addressed in appropriate CEQA/National Environmental Policy Act documents to be prepared in the future.

Relationship of CEQA to Environmental Permitting

Permits or approvals for implementation of the LRDP will be required from federal, State, and local agencies, such as the U.S. Army Corps of Engineers, U.S. Fish and Wildlife Service, California Department of Fish and Game, and State of California Regional Water Quality Control Board. The permitting process has been initiated by the University and is proceeding concurrently with the University's efforts under CEQA.

Findings And Statement Of Overriding Considerations

The Findings discuss the project background, process of development, environmental review, mitigation measures, and monitoring program, and include alternatives and reasons for considering the alternatives infeasible. The Findings also set forth overriding considerations for approval of the project in view of its unavoidable significant effects in the areas of aesthetics, agricultural resources, air quality, biological resources, land use and planning, noise, public services, recreation, traffic, and growth inducement.

[The Final Environmental Impact Report, Mitigation Monitoring Program, Statement of Overriding Consideration, and Findings were mailed to all Regents in advance of the meeting, and copies are on file in the Office of the Secretary.]

[For speakers' comments, refer to the minutes of the January 16 session of the Committee of the Whole.]

Upon motion duly made and seconded, the Committee on Grounds and Buildings approved the President's recommendation and voted to present it to the Board.

3. APPROVAL OF DESIGN, SITE DEVELOPMENT, AND INFRASTRUCTURE WITH CENTRAL PLANT FACILITY, MERCED CAMPUS

The President recommended that subject to adoption of the Long Range Development Plan for the Merced campus and certification of the associated Environmental Impact Report, the Committee on Grounds and Buildings recommend:

- A. Adoption of the Statement of Overriding Considerations included in the Findings.
- B. Adoption of the Findings pursuant to the California Environmental Quality Act.
- C. Approval of the design of the Phase 1 Site Development and Infrastructure with Central Plant Facility, Merced campus.

It was recalled that in November 2000, The Regents approved inclusion of the Site Development and Infrastructure, including the Central Plant Facility, Merced campus, in the 2000-05 Capital Improvement Program and the 2000-01 Budget for Capital Improvements at a total project cost of \$76,826,000.

In November 2001, the firm of Ove Arup & Partners, San Francisco, as executive design professional, was administratively approved within the Office of the President.

Project Site

The site for the project is the Phase 1 area of the Merced campus, as identified in the Long Range Development Plan. This area is currently occupied by a golf course and driving range, parking lot, and related structures.

Project Overview/Design

The project will provide a central plant facility, infrastructure, landscaping, and site development for the initial academic core of the Merced campus. The Central Plant will be placed on a slope behind the Science Building.

Site Development and Infrastructure with Central Plant Facility

Site development and infrastructure for Phase 1 will include rough grading, drainage and flood control, utilities, roads, bikeways and paths, and completion of necessary landscaping and site improvements. A major component of the Site Development and Infrastructure project is the Central Plant Facility that will be located in a natural swale that will diminish its scale in the campus landscape. It will house the mechanical equipment needed to produce heated and chilled water as well as switchgear, electrical equipment, water pumps, emergency generators, and other mechanical equipment necessary to serve the academic buildings.

The main building will contain an area of 36,835 gross square feet on three levels. The ground level, partly below grade, will connect to a utility tunnel that will convey heated and chilled water to the academic buildings. This level will be accessible to an enclosed service yard where a telecommunications building will be located. The second level will be partly accessible to grade on the street side and also will house mechanical equipment. The third level will support the cooling towers. A thermal energy storage tank integral to the plant's operations will be located next to the building. The lower level will be constructed of reinforced concrete that also will support the steel structure of the second and third levels. The upper portion of the building, including a full-height parapet around the cooling towers, will be enclosed in a metal screen. Similar cladding will enclose an adjacent thermal energy storage tank.

The design of the building has been reviewed and coordinated by the members of the consultant team. Independent structural review and independent cost estimating has been conducted at each stage of the project development.

The Merced campus Physical Planning Department, assisted by Parsons Brinkerhoff/JCM, will manage the project. Other outside consultants and testing agencies will be used as necessary.

Environmental Impact Summary

Approval of the design of this project is contingent upon approval of the Long Range Development Plan for the Merced campus and review and consideration of the accompanying Environmental Impact Report and environmental consequences of the Phase 1 projects.

The project Findings incorporate, by reference, the LRDP EIR Findings as well as set forth overriding considerations for approval of this project in view of its unavoidable significant effects.

[The Statement of Overriding Considerations and Findings were mailed to all Regents in advance of the meeting, and copies are on file in the Office of the Secretary.]

[For speakers' comments, refer to the minutes of the January 16 session of the Committee of the Whole.]

Upon motion duly made and seconded, the Committee on Grounds and Buildings approved the President's recommendation and voted to present it to the Board.

4. **AMENDMENT OF THE BUDGET FOR CAPITAL IMPROVEMENTS AND THE CAPITAL IMPROVEMENT PROGRAM, MERCED GARDEN SUITES AND LAKEVIEW DINING FACILITIES, MERCED CAMPUS**

The President recommended that:

- A. Subject to the concurrence of the Committee on Finance, the Committee on Grounds and Buildings recommend that the 2001-02 Budget for Capital Improvements and the 2001-04 Capital Improvement Program be amended to include the following project:

Merced: Merced Garden Suites and Lakeview Dining Facilities – preliminary plans – \$1 million to be funded from University of California Housing System Net Revenue Reserves.

- B. The Committee on Finance concur with the recommendation of the Committee on Grounds and Buildings to include this project as described above.

It was recalled that, consistent with the UC Merced Long Range Development Plan, the Merced campus proposes to construct Garden Suites that will provide the Merced campus with approximately 131 apartment suites accommodated in approximately 124,000 assignable square feet (asf) inclusive of 10,000 asf of community support spaces, enhancing student life and programs. The project will also include the Lakeview Dining facility of approximately 11,000 asf and 342 drop-off and residential parking spaces.

Programming in the residence halls will be designed to enrich and extend the students' educational experience. Resident assistants, working with faculty and student affairs professionals, will provide residents with cultural, academic, and social programs, along with informational programs on campus safety, campus resources, and the range of support services that are available to assist students.

Phase I of the UC Merced student housing will be programmed for 456 student beds but can accommodate 592 beds. The suites will provide a combination of single, double, and slightly larger triple rooms, living and dining areas, efficiency kitchens, and bathrooms. Maximum building size will be three stories and a basement. All of the units will be furnished and include Internet and cable television hookups. Additional program space is limited to 10,000 asf of common areas.

Consistent with the UC Merced food services plan, a centralized Lakeview dining facility of approximately 11,000 asf will serve the meal needs of on-campus residents and commuting students, faculty, and staff. The facility will include a complete production kitchen, servery, and indoor and outdoor dining, along with a convenience store and café. The facility will be designed to accommodate student meals associated with the first two phases of housing.

The project is necessary to accommodate students who will attend UC Merced upon its opening, scheduled for fall 2004. The Long Range Development Plan for UC Merced has established the goal of housing approximately 75 percent of all new freshman students in on-campus facilities. Market analysis demonstrates that the cities of Merced and Atwater cannot provide significant housing for UC Merced students. Vacancy rates for apartments are close to one percent. It is expected that most students who are relocating to the Merced area will be drawn to the newly developed on-campus housing with its student-oriented amenities and residential life environment.

CEQA Compliance

In accordance with the California Environmental Quality Act and University procedures for implementation of the CEQA, an Environmental Impact Report for this campus Long Range Development Plan has been prepared and analyzes the potential environmental impacts of this project. This information will be presented to The Regents for review and consideration at the time of project design approval.

Future Regental Action

In early 2002, the campus will submit items to The Regents to request both the amendment of the Budget for Capital Improvements and the Capital Improvement Program for the total project cost, including a change in fund source for preliminary plans from University of California Housing System net revenue funds to external financing, and approval of external financing. Preliminary project cost estimates are between \$20 million and \$25 million, to be funded from external financing. The external financing would be repaid from the student rents in the proposed facilities.

Chancellor Tomlinson-Keasey acknowledged the strong support of the Merced community in planning the new campus. She noted that the community has maintained a high level of interest and support throughout the extensive preliminary stages of planning for the development of UC Merced.

Vice Chancellors Desrochers and Graves presented slides of the site and discussed the Environmental Impact Report, the Long Range Development Plan, the infrastructure, and student housing.

Regent Lee asked what provisions were being made to house faculty and employees. Vice Chancellor Graves explained that the LRDP sets aside land sufficient to house 50 percent of the faculty, and although building that housing is not in the current plans, the land and infrastructure will be available when they are needed. Based on current research, it appears that the initial group of faculty will have no trouble finding housing in the area.

Regent S. Johnson noted that the planning process for UC Merced had been vastly accelerated. She stated that, considering the size of the undertaking, the University would have been better served had the original UC Merced plan been followed. She expressed support for the undertaking, notwithstanding this fact, and spoke positively about the campus' exceptionally good relationship with the community.

Regent O. Johnson also noted the strength of the Merced community's support for the new campus. She anticipated continuing to follow the planning process and discussing issues and challenges as they emerge.

Regent-designate Terrazas noted that, although the planning process had been complicated, it had been comprehensive. He believed that the Regents had exercised their due diligence.

Regent Bagley stated that founding the UC Merced campus had been the highlight of the Regents' collective service. He urged Regents who had not already done so to adopt a campus on which to focus their interest.

Regent Seymour agreed that approving the creation of a new campus for the ages was an outstanding moment for the Regents.

President Atkinson congratulated Chancellor Tomlinson-Keasey, University staff, and members of the Merced community. He noted that many Regents had contributed greatly to the planning process.

Upon motion duly made and seconded, with the concurrence of the Committee on Finance, the Committee on Grounds and Buildings approved the President's recommendation and voted to present it to the Board.

The Committee recessed at 2:45 p.m.

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The Committee reconvened on January 17, 2002 at 12:10 p.m.

Members present: Committee on Grounds and Buildings: Regents Atkinson, Connerly, T. Davis, Hertzberg, Hopkinson, O. Johnson, S. Johnson, Kozberg, Morrison, Pattiz, and Seymour; Advisory member Sainick

Committee on Finance: Regents Atkinson, Connerly, Hertzberg, Hopkinson, S. Johnson, Kozberg, Lee, Montoya, Morrison, and Preuss; Advisory member Ligot-Gordon

In attendance: Regents Bagley, Davies, Eastin, Lansing, Lozano, Marcus, and Sayles, Regent-designate Terrazas, Faculty Representatives Binion and Viswanathan, Secretary Trivette, General Counsel Holst, Treasurer Russ, Provost King, Senior Vice Presidents Darling and Mullinix, Vice Presidents Broome, Doby, Drake, Gomes, Gurtner, and Hershman, Chancellors Berdahl, Bishop, Carnesale, Cicerone, Dynes, Tomlinson-Keasey, Vanderhoef, and Yang, and Recording Secretary Bryan

5. **AUTHORIZATION TO ESTABLISH A LIMITED LIABILITY COMPANY WITH VIRGINIA SMITH TRUST, MERCED CAMPUS**

The President recommended that, subject to adoption of the UC Merced Long Range Development Plan and certification of the associated Environmental Impact Report, the Committees recommend that:

- A. The Regents authorize the establishment of a nonprofit limited liability company with two Members, the Virginia Smith Trust (VST) and the University of California (University), for the planning and development of the University Community adjacent to the University of California, Merced, the Company to be called University Community Land Company, LLC (Company).
- B. The Regents authorize the President, in consultation with the General Counsel, to execute all documents necessary to establish the Company, including, without limitation, an Operating Agreement, such agreement to include the following provisions:
 - (1) The Company, to be owned equally by the University and VST, shall be organized exclusively for non-profit purposes; specifically to support, benefit, and further the charitable, scientific, and educational purposes of the Merced campus and VST by facilitating the planning and development of the first phase of the University Community.
 - (2) As a capital contribution to the Company, VST shall assign to the Company all of its rights under the land acquisition agreement it presently holds covering a 1,240-acre portion of the Flying M Ranch, representing the northern portion of the University Community contiguous to the campus (LLC Land). In addition, \$1.5 million from funds provided by the David and Lucile Packard Foundation will be applied towards the \$5 million purchase price for the Flying M Ranch land.

- (3) The University shall loan the Company \$3.5 million to be used for payment of the balance of the purchase price of the LLC Land. The loan will bear interest and be repaid by the Company as a priority from future excess revenues.
- (4) The following actions of the Company shall require the consent of The Regents:
 - sale or other disposition of all or substantially all of the assets of the Company;
 - mortgaging all or substantially all of the assets of the Company;
 - merging the Company with another entity;
 - an alteration of the primary purpose of the Company; and
 - transferring a Member's interest in the Company to a third party.
- (5) The University and VST shall each have the authority to review and approve:
 - the overall Development Plan for the LLC Land prior to the implementation of the plan (the President will consult with The Regents on the Development Plan and provide reports on changes in and implementation of those plans to The Regents at appropriate times, but at least annually);
 - any plan for the financing of infrastructure improvements for all or any material portion of the property; and
 - a material amendment to the terms of the Operating Agreement.
- (6) Subject to the decision-making role of The Regents described in the subsection (4) above, and the provision for review and approval by each party described in subsection (5) above, the Company shall be governed by a five-person Management Committee composed of two individuals appointed by VST, two individuals appointed by the President of the University in consultation with the Chairman of the Board of Regents, and a fifth individual jointly selected by the University and VST. The fifth member shall serve for a three-year

term. Among other matters, the majority approval of the Management Committee shall be required for the following decisions:

- hiring the president of the Company;
 - acquiring additional real property;
 - financing of assets of the Company;
 - selling or leasing of Company land;
 - approving all architectural and construction contracts;
 - approving capital and operating budgets and material modifications to budgets; and
 - approving significant contracts and expenditures by the Company.
- (7) The University shall undertake the day-to-day administration of the Company, as Managing Member, until such time as the Company hires a Company president and other senior executive staff.
- (8) The Company shall continue until such time as the Members agree to dissolve the Company as provided in the Operating Agreement.
- (9) The Company shall provide the University within 180 days of the fiscal year-end audited financial statements and an annual program report that will describe past actions and future plans to be taken by the Company with respect to the planning and development of the LLC Land as part of the University Community.

It was recalled that planning for the University of California campus in Merced is proceeding in cooperation with the County of Merced, the City of Merced, and others in order to assure that adequate housing, commercial uses, and public services will be available to support the campus. Development of a supporting University Community contiguous to the campus has been a stated goal of The Regents since selection of Merced as the location of the campus. During the last five years, numerous options were assessed by the County of Merced, and it was determined that a University Community accommodating up to 30,000 persons near the campus would be appropriate.

University Community

Merced County is in the process of amending its General Plan to provide for a University Community of at least 2,100 acres contiguous to the southern boundary of the campus. The County's draft amendment to its General Plan and an environmental impact report both are proposed for consideration and adoption in early 2002. The County of Merced has adopted "smart growth" planning principles for development of the University Community that are intended to minimize impacts on the environment and promote sound regional development.

The proposed University Community area subject to the General Plan amendment consists of the following:

- approximately 60 acres of land for commercial and residential development which is a part of the property that the University is acquiring from VST ("Town Center");
- approximately 870 acres of the 1,240 acres of the Flying M Ranch contiguous to the campus and Town Center, which land is proposed for acquisition by the Company (LLC Land) for a purchase price of \$5 million (\$4,032/acre); and
- approximately 1,200 acres south of the Flying M Ranch owned by another party.

The Town Center location is intended to better integrate the University Community with the campus. The approximately 310 acres of the LLC Land outside of the planned University Community will be available for future planned uses as appropriate.

The Proposed Company

As discussions with VST progressed over the past several years, it became clear that the most effective way for the University to influence and benefit from the development of the University Community was to establish a formal partnership with VST to acquire and develop property in the community. The intent of the University in forming this partnership is to enhance the quality of UC Merced by promulgating a community that will serve as a model for quality development with attention to principles of urban planning, sustainability, service to the campus, and integration of campus and community life. The proposed partnership will also minimize duplication of efforts and costs between the University and VST; ensure that a high-quality community is developed to appropriately enhance and enrich the adjacent campus; provide a more effective negotiating entity for dealing with local, State, and federal agencies, financing sources, and potential developers; increase the ability to accomplish the financing of the University Community infrastructure in a more comprehensive, efficient, and effective manner; enable VST to take advantage of the University's experience, expertise, and resources in connection with the development of a major portion of the University Community contiguous to the campus; and allow VST and the University to share in the economic benefits of the long-term development of the LLC Land in a manner mutually beneficial to the parties.

Accordingly, it is proposed that the University form a non-profit limited liability company with VST to acquire and develop the northerly portion of the University Community contiguous to the campus (Company). Each party would have a 50 percent share in the Company and the University would serve as managing member until a president is appointed. Under Section 501(c)(3) of the Internal Revenue Code, the VST is a charitable organization the charter of which establishes scholarships for higher education for local Merced area high school students. The funds currently available for the scholarships are derived from grazing revenue from VST land.

Land Acquisition and Development

The Company will acquire the 1,240-acre portion of the Flying M Ranch upon its formation. In addition, the Company shall, for a period of thirty years, have the first right to develop the Town Center land owned by the University that would otherwise be developed by third party developers for non-campus uses.

UC Merced is lending \$3.5 million for funding the balance of the Company's land acquisition of \$5 million. The source of this loan will be funds available to the President of the University, and the loan plus interest will be repaid by the Company as the first application of its share of any net income to be paid out until the loan and interest are repaid in full. The David and Lucile Packard Foundation grant is providing \$1.5 million for land acquisition by the Company, in addition to providing funds to the University for the acquisition of the entire 7,030 acres of VST land to facilitate development of the tenth campus and the establishment of a permanent natural resources reserve.

Company Structure and Operation

The Company will be governed by a five-member Management Committee, of which two members shall be appointed by and serve at the pleasure of the President of the University in consultation with the Chairman of the Board of Regents, two members shall be appointed by VST, and the fifth member shall be jointly selected by the University and VST for a three-year term. The structure of the Company is designed to provide for effective planning and development of the University Community in a manner that will enhance and complement the development of the campus. In this regard, it is the intention of both the University and VST that the Management Committee will have substantial decision-making authority with respect to the activities of the Company, while certain key decisions must be returned to each entity for approval.

The net income of the Company, after repayment of the University's acquisition loan, will be divided equally between the University and VST and be dedicated to their respective charitable and educational purposes. In particular, the VST formation documents require that its assets be applied to scholarships for Merced students attending college or university in California. VST has agreed, once its scholarship

corpus has reached an appropriate level, to seek court approval to broaden scholarship eligibility to high school graduates from throughout the San Joaquin Valley who wish to attend UC Merced.

Although both parties anticipate the Company will represent a long-term partnership between the University and VST, if an impasse develops with respect to a major decision concerning the strategic direction of the Company, the University, under the terms of the Operating Agreement, will have the right to buy out the VST interest in the Company and become its sole Member. Such buyout would be based on the fair-market value of the Company's assets as determined by an independent appraisal.

Chancellor Tomlinson-Keasey introduced Ms. Aileen Adams, Secretary of the State and Consumer Service Agency, who is a member of Governor Davis' cabinet. He appointed her to chair a team that coordinates all State agencies to negotiate red tape and facilitate the development of the campus.

Secretary Adams complimented Chancellor Tomlinson-Keasey and Regent Kozberg for their leadership during the planning process and noted that they shared a passion for architectural excellence, sustainable design, and the proper siting of buildings.

Ms. Adams underlined the importance to the Governor and the administration of building the tenth campus. She reported that the Governor had established a "red team" that brings together every major State agency to streamline the building process. At each red team meeting, six or seven cabinet members meet with representatives of the University, the County, the City, and others to ensure that the State is doing everything possible to facilitate the building of UC Merced. She believed that this commitment illustrates the State's interest in the project, which will be beneficial both to students in the Central Valley and to the environment. She noted that 22,000 acres of vernal pools will be protected in eastern Merced County. Fourteen percent of the State funds invested in the project are being devoted to conserving wetlands. She reported that the Governor is pleased by the unique public-private partnerships that have emerged. The Packard Foundation grant is a boost to conservation efforts, and more than 100 Merced trustees have helped to raise over \$20 million and fund 14 endowed chairs. She believed that the Governor's red team represents the highest level of coordination ever for a major State building project.

Ms. Adams highlighted two accomplishments. The Technology, Trade, and Commerce Agency is working closely with UC Merced, helping to provide funding through its infrastructure bank. In addition, the Sustainable Building Task Force has brought the best people together to facilitate the project and make it energy-efficient. In closing, she emphasized that the Merced campus is being built for current and future students and to enhance the environment, the surrounding community, and the state.

Vice Chancellor Desrochers commented briefly on the proposal to form a limited liability company.

Regent S. Johnson expressed her appreciation to Secretary Adams, Committee Chair Kozberg, and Vice Chancellor Erickson for their hard work related to UC Merced.

Regent Hopkinson expressed some concerns about the LLC structure. She observed that if the arrangement fails, the University may be forced to use extraordinary means to rescue it. She was opposed to the structure of the Management Committee's membership. She was puzzled as to why a general partnership was not set up with the University as a general partner, which would have afforded more protection. She supported the provision that the President appoint the two University representatives, but she believed that public sector entities that are not in the business of real estate development do not usually have the expertise to put people on a board such as that to be watchdogs of a sophisticated operation. The hiring of the full-time professional managing director therefore becomes key, and she urged that it be done quickly. She believed that the University's negative experiences with its merger with Stanford Medical Center could be repeated. There are some provisions that allow the LLC to borrow money, an action which she believed should not be delegated. She wondered whether, if that were reversed, an issue would be created regarding isolating the liability to the LLC. She was unclear as to the provisions for unwinding the entity and about how the conflict of interest would be handled regarding the fifth person on the governing board. Her understanding was that The Regents was a master developer that would not undertake real estate development, and she requested that guidelines to that effect be articulated.

Chancellor Tomlinson-Keasey responded that the search for the managing director of the LLC would begin immediately. Associate Director of Real Estate Services Hatheway, who had worked on the proposal for several years, added that, concerning the issues regarding the appointment and the voting, both VST and the University desired to be partners with a 50-50 relationship. An agreement was negotiated to have two members of each entity, with a fifth member to be selected jointly for that purpose. He commented that any major borrowing of the LLC would be for infrastructure development and subject to Regental approval. Regent Hopkinson asked that the document articulate that requirement. She asked whether, if the request must be submitted to The Regents, there would be an issue regarding the isolation of liability in the LLC. General Counsel Holst noted that the item does refer to mortgaging of assets. Regent Hopkinson stated that there are borrowings other than mortgaging, and the proposed agreement states that the financing of assets and acquiring of property is within the purview of the LLC but that the matter could go to The Regents. General Counsel Holst pointed to the requirement of consent of The Regents with respect to borrowing, which he assumed would be secured. Regent Hopkinson believed the agreement should state specifically that any borrowing be subject to Regental approval. The University's outside counsel, Mr. Nellis, assured Regent Hopkinson that the LLC agreement was specific with respect to the way in

which any financing proposals would be handled. The University would have the right to approve major financing. Regent Hopkinson believed that there should be a dollar threshold over which the financing must be approved by The Regents.

Regent Marcus believed that it was clear in the agreement that nothing could be spent or borrowed unless it is in a budget approved by The Regents. Regent Hopkinson pointed out that the proposal was to form a legal entity separate from The Regents. She emphasized that if the company were to fail, the University would step in and save it. She was adamant that the agreement must be made in a prudent, professional way, with financing above a certain amount made subject to Regental approval.

Committee Chair Kozberg asked General Counsel Holst to modify the language of the agreement in such a way as to address Regent Hopkinson's concerns about the issue. Mr. Holst believed the University could seek to be more specific with respect to establishing a monetary threshold for Regental approval.

Vice Chancellor Desrochers reported that the intention of the agreement was that major decisions, including financing decisions, be subject to Regental approval. She agreed that specifying a dollar amount would be appropriate. She noted that the full development plan and financing information would come to The Regents for approval when a master developer was hired.

Regent Bagley suggested that the use of private enterprise be reviewed as a way to avoid borrowing large amounts of money for infrastructure.

Regent Lee noted that the asset of the LLC was a piece of land that the University is buying. He asked about VST's other assets. Vice Chancellor Desrochers explained that it had a 7,000-acre piece of land, which will be put into the Natural Reserve System. Regent Lee believed that it would be prudent to have a larger than 50 percent interest on the board.

Regent Davies objected to any comparison of the proposal to the failed merger with Stanford, which had nothing to do with the legal arrangements. He believed that the proposal had been structured by outstanding lawyers who had made tradeoffs during the two-year negotiation and who had submitted a proposal which they believed protected the University's interests. He viewed the proposed documents as a creative way in which to address a complicated and difficult situation.

Regent Hopkinson responded that she was not suggesting that the deal with VST be changed. The proposal, in effect, allows The Regents to approve certain things before they are voted on by the LLC. She believed those things should be articulated. Regent Davies pointed out that borrowing goes on every day within the University system without Regental approval. Regent Hopkinson maintained that the situation related to the LLC was different because the University's borrowings are not generally dependent on the success of a commercial enterprise. Regent Davies countered that

often they are: the University is involved in many enterprises that have a factor of risk. He was confident that President Atkinson would appoint talented and experienced people to the board. He stressed that the Regents need to rely on the opinions and the performance of their own experts.

Regent Marcus believed the situation could be resolved by requiring that the LLC's annual budget be approved by The Regents or a Committee.

Vice Chancellor Desrochers noted that as the item is written, the budget, along with the development plan and its annual budget, will be submitted to The Regents for review.

Committee Chair Kozberg believed that it was the desire of UC Merced to ensure that what the Regents have said will be heard within the spirit of negotiation with VST.

Regent Hopkinson moved that the recommendation be amended by adding the following paragraph:

- (3) A budget and development plan for the Company be submitted annually to The Regents for review and approval.

The motion was duly seconded, and the Committees approved the President's recommendation as amended and voted to present it to the Board.

[For speakers' comments, refer to the January 17 morning session of the Committee of the Whole.]

6. **AMENDMENT OF THE BUDGET FOR CAPITAL IMPROVEMENTS AND THE CAPITAL IMPROVEMENT PROGRAM, AND APPROVAL OF EXTERNAL FINANCING FOR MATHEMATICAL SCIENCES BUILDING, DAVIS CAMPUS**

The President recommended that:

- A. Subject to the concurrence of the Committee on Finance, the Committee on Grounds and Buildings recommend that the 2001-02 Budget for Capital Improvements and the 2001-04 Capital Improvement Program be amended to include the following project:

Davis: Mathematical Sciences Building – preliminary plans, working drawings, and construction – \$22,036,000 to be funded from external financing (\$21,936,000) and campus funds (\$100,000).

- B. The Committee on Finance concur with the recommendation of the Committee on Grounds and Buildings to include this project as described in A. above.

- C. The Committee on Finance recommend to The Regents that the Treasurer be authorized to obtain external financing not to exceed \$21,936,000 to finance the project listed in A. above, subject to the following conditions:
- (1) Interest only, based on the amount drawn down, shall be paid on the outstanding balance during the construction period.
 - (2) Repayment of the debt shall be from the Davis campus' share of the University Opportunity Funds.
 - (3) The general credit of The Regents shall not be pledged.
- D. 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 federal income taxation under existing law.
- E. The Officers of The Regents be authorized to execute all documents necessary in connection with the above.

It was recalled that the Davis campus proposes to construct an academic building to accommodate the Department of Mathematics, Department of Statistics, the Statistics Laboratory, and the Computational Sciences and Engineering (CSE) initiative. The new facility will be located on the site of the existing Hog Barn, adjacent to the Academic Surge Building and Crocker Nuclear Laboratory. This project is proposed to meet the growth needs of the Mathematics and Statistics departments and the initiation of CSE. Release space would aid the growth needs of the College of Letters and Sciences.

Background

UC Davis has experienced significant enrollment growth in recent years, and current projections indicate that this growth will continue through 2010-11. A large proportion of this expected growth will occur in the Mathematical and Physical Sciences Division. In addition, it is widely expected that the need for mathematical and statistical proficiency will dramatically increase for all college graduates who seek employment in financial, biological, agricultural, environmental, pharmaceutical, medical, and communication industries. This trend adds to the demand for mathematics and statistics education. In order to accommodate these needs, the Department of Mathematics plans on expanding the undergraduate major programs and masters programs. Multiple majors to be developed within the department may include Mathematics, Applied Mathematics, Mathematics of Computation, and Bioinformatics/Biomathematics. In addition, changes to the lower division curriculum will be undertaken to enhance the applicability of course work and to prepare students in further mathematics endeavors. Based on California Postsecondary Education

Commission space guidelines, the Departments of Mathematics and Statistics will have a space deficit of 13,340 asf by 2005–06 without this new building.

Academic planning to meet the demands of enrollment growth and to enhance and enrich existing programs began at UC Davis in 1997. The first stage of that planning was a call for new academic initiatives. This process engaged the entire faculty in the development of initiatives that would have a broad and significant impact on the campus' academic development. The Computational Sciences and Engineering initiative is one of nine chosen for full development. CSE is a rapidly developing area with particularly strong connections to the sciences, engineering, and mathematics. CSE is concerned with the development and implementation of computational models as an alternative way to help understand complex physical and biological processes or to model entirely abstract processes encountered in mathematics and computer science.

Proposed Project

The proposed Mathematical Sciences Building will be a three-to-four-story structure containing approximately 38,000 assignable square feet. It will house offices, office support facilities, office-based research space, computer laboratories, and conference and seminar space. Space will be assigned to the Department of Mathematics, the Department of Statistics, the Statistics Laboratory, Computational Sciences and Engineering, and for seminars.

The building's core elements will be arranged to accommodate both multi- and single-tenant occupancies, while the building's structural module, core-to-window wall dimension, and fenestration spacing will be planned to accommodate the diverse needs of both academic and administrative office space users over time. Project construction is scheduled to commence in summer 2003, with completion in fall 2004. The design of the project results in a building cost of \$234 per gross square foot.

CEQA Classification

In compliance with State guidelines for implementation of CEQA and the University of California environmental procedures, an Initial Study will be prepared to consider the potential environmental effects of this project. This Initial Study will be tiered from the 1994 LRDP EIR, as amended. As required by The Regents' approval of the 1994 UC Davis LRDP as amended, all applicable LRDP mitigation measures described in the LRDP EIR, as amended, are incorporated into this project.

Financial Feasibility

Repayment of the external financing will be from the Davis campus' share of the University Opportunity Fund. Assuming 27-year financing at 6.125 percent, the average annual debt service will be \$1,681,000. Inclusive of this amount and the

estimated debt service of another high priority project for which the campus will be seeking approval, the campus will be above the prescribed Opportunity Fund pledge test of 65 percent. A waiver has been requested by the campus and granted by the Office of the President after review of other campus resources, including the indirect cost recovery on private contracts and grants.

Upon motion duly made and seconded, with the concurrence of the Committee on Finance, the Committee on Grounds and Buildings approved the President's recommendation and voted to present it to the Board.

7. **AMENDMENT OF THE BUDGET FOR CAPITAL IMPROVEMENTS AND THE CAPITAL IMPROVEMENT PROGRAM, AND APPROVAL OF EXTERNAL FINANCING FOR NATURAL SCIENCES UNIT 2, IRVINE CAMPUS**

The President recommended that:

- A. Subject to the concurrence of the Committee on Finance, the Committee on Grounds and Buildings recommend that the 2001-02 Budget for Capital Improvements and the 2001-04 Capital Improvement Program be amended as follows:

From: Irvine: Natural Sciences Unit 2 B – preliminary plans, working drawings, construction, and equipment – \$63,643,000 to be funded by State funds (\$59,968,000) and campus funds (\$3,675,000).

To: Irvine: Natural Sciences Unit 2 B – preliminary plans, working drawings, construction, and equipment – \$75,280,000 to be funded by State funds (\$59,968,000), campus funds (\$4,375,000), and external financing (\$10,937,000).

- B. The Committee on Finance concur with the recommendation of the Committee on Grounds and Buildings to amend this project, as described in A. above.
- C. The Committee on Finance recommend to The Regents that the Treasurer be authorized to obtain external financing not to exceed \$10,937,000 to finance the Natural Sciences Unit 2 project, subject to the following conditions:
- (1) Interest only, based on the amount drawn down, shall be paid on the outstanding balance during the construction period.
 - (2) Repayment of the debt shall be from the campus' share of the University Opportunity Fund.
 - (3) The general credit of The Regents shall not be pledged.

- D. 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 federal income taxation under existing law.
- E. The Officers of The Regents be authorized to execute all documents necessary in connection with the above.

It was recalled that in November 2001, The Regents approved the 2002-03 Budget for Capital Improvements, which included the Natural Sciences Unit 2 project at a sum of \$63,643,000 comprising preliminary plans (\$3,237,000), working drawings (\$1,412,000), construction (\$51,644,000), and equipment (\$3,675,000 from State funds and \$3,675,000 from campus funds). The 2001 State Budget Act provided a total of \$4,649,000 for preparation of preliminary plans and working drawings. The project as it was originally planned was intended to meet the highest-priority needs of UCI's School of Biological Sciences and the Departments of Chemistry and Physics & Astronomy within the School of Physical Sciences, and consisted of two components: construction of a 69,170 asf research laboratory building and expansion and limited renovation of the existing animal facility in McGaugh Hall, formerly known as Biological Sciences Unit 2.

It is now proposed to build an additional 16,290 asf in the laboratory-building component using non-State capital funds. The amended project is proposed as a cost-effective way to help address campus priorities for providing flexible wet laboratory space to house additional research teams in either the biological sciences or the new program in biomedical engineering, or in both. Growth in the sciences over the next five years is expected to result in a large unmet demand for wet laboratory space, notwithstanding completion of projects currently under way, such as Natural Sciences Unit 1 and Croul Hall. Projections for the School of Biological Sciences indicate that even with the completion of the State-funded portion of Natural Sciences Unit 2, the School will be able to accommodate a total of only 124 new faculty out of the 140 that are projected in 2005-06. The interdisciplinary Center for Biomedical Engineering was created in the School of Engineering in 1998; however, no additional space has been assigned to the School since completion of the Engineering Gateway Building in 1996. As a result, space for the new program has been carved out of the space assignments of the other Engineering departments. All of Engineering's space is now fully occupied. Although the proposed expansion of Natural Sciences Unit 2 will meet only a portion of the additional projected demand, future projects are included in the State-funded capital program that will address the continued growth of the Schools of Biological Sciences and Engineering.

Project Description

The expanded laboratory building component of the Natural Sciences Unit 2 project will include research laboratories and support, academic and research office space, and administrative offices totaling 85,460 asf. The facility will be located in the Physical

Sciences Quadrangle, adjacent to the site of Natural Sciences Unit 1 and directly across the Ring Mall from Rowland Hall. The site currently accommodates trailers assigned to the School of Physical Sciences that will be demolished as part of this project. Project start is scheduled for November 2002, with completion in December 2004. The project is in compliance with the campus' Long Range Development Plan.

State-Funded Improvements

The School of Biological Sciences will occupy 44,314 asf, consisting of research space, including wet laboratory and laboratory support space, office, and meeting space; academic offices; administrative office space, including the Biological Sciences Dean's Office and school-wide administrative space; and animal facility space in McGaugh Hall.

The Department of Chemistry will occupy 34,196 asf consisting of research space, including laboratory and laboratory support space, and research office and meeting space; academic office space; and Department of Chemistry administrative space.

The Department of Physics & Astronomy would occupy 4,010 asf of laboratory and laboratory support space.

Non-State-Funded Improvements

A total of 16,290 asf will be provided for one of or both the School of Biological Sciences and the Center for Biomedical Engineering, to include wet laboratory and laboratory support space, research offices and meeting rooms; academic offices; and administrative office space.

CEQA Classification

In accordance with University of California guidelines for the implementation of the California Environmental Quality Act, environmental documentation will be prepared for consideration in conjunction with the project design review.

Financial Feasibility

Based on long-term debt of \$10,937,000 amortized over 27 years at 6.125 percent interest, the estimated average annual debt service will be \$838,000. Repayment for the debt will be from the Irvine campus' share of the University Opportunity Funds and is within the prescribed Opportunity Fund pledge and payment limits.

Upon motion duly made and seconded, the Committees approved the President's recommendation and voted to present it to the Board.

8. **AMENDMENT OF THE BUDGET FOR CAPITAL IMPROVEMENTS AND THE CAPITAL IMPROVEMENT PROGRAM, AND APPROVAL OF EXTERNAL FINANCING FOR CALIFORNIA INSTITUTE FOR BIOENGINEERING, BIOTECHNOLOGY, AND QUANTITATIVE BIOMEDICAL RESEARCH (QB3), SAN FRANCISCO CAMPUS**

The President recommended that:

- A. Subject to the concurrence of the Committee on Finance, the Committee on Grounds and Buildings recommend that the 2001-02 Budget for Capital Improvements and the 2001-04 Capital Improvement Program be amended to include the following project:

San Francisco: California Institute for Bioengineering, Biotechnology, and Quantitative Biomedical Research (QB3) at Mission Bay – preliminary plans, working drawings, construction, and equipment – \$100 million to be funded from the State through the California Institutes of Science and Innovation program (\$55 million), and external financing using the Garamendi funding mechanism (\$45 million).

- B. The Committee on Finance concur with the recommendation of the Committee on Grounds and Buildings to include this project, as described in A. above.
- C. The Committee on Finance recommend to The Regents that the Treasurer be authorized to obtain financing not to exceed \$45 million to finance the California Institute for Bioengineering, Biotechnology, and Quantitative Biomedical Research (QB3) at Mission Bay project, subject to the following conditions:

- (1) Interest only, based on the amount drawn down, shall be paid on the outstanding balance during the construction period.
 - (2) Repayment of the debt shall be from the campus' share of the University Opportunity Fund.
 - (3) The general credit of The Regents shall not be pledged.
- D. 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 federal income taxation under existing law.
- E. The Officers of The Regents be authorized to execute all documents necessary in connection with the above.

It was recalled that the San Francisco campus proposes to design and construct a facility of 94,144 assignable square feet (asf) at the Mission Bay site to house the headquarters of the California Institute for Bioengineering, Biotechnology, and Quantitative Biomedical Research (QB3), a consortium of three UC campuses led by UC San Francisco and joined by UC Berkeley and UC Santa Cruz.

In January 2001, The Regents amended the 2000-01 Budget for Capital Improvements and the 2000-03 Capital Improvement Program to include predesign studies and preliminary plans of \$4.7 million for the QB3 facility at the San Francisco campus. Funding was provided by the State through the California Institutes for Science and Innovation program. Request is now made for approval of the entire \$100 million project (an additional \$4,100,000 for working drawings, \$82,120,000 for construction, and \$9,080,000 for equipment).

QB3 is one of the California Institutes for Science and Innovation established by Governor Davis and approved by the Legislature. The project will provide research space to join the physical, engineering, and biomedical sciences of three UC campuses to improve human health and create dynamic new technologies. This integration of sciences could pave the way for the discovery of treatments and cures for some of the most intractable diseases such as brain disorders, cancer, and diabetes.

QB3 will be organized around three research and education modules: (1) Bioengineering and Biotechnology; (2) Bioinformatics; and (3) Structural and Chemical Biology. The Institute will focus on developing techniques for storing and analyzing vast quantities of biological data and using imaging and mathematical modeling to view cells and single organ systems as part of functional networks. The techniques developed will allow UC scientists to understand interactions, predict outcomes, and reconstruct parts of living systems in the laboratory. Through the interaction of UC scientists and private industry, new drugs and technologies for the

improvement of human health would be delivered, keeping California at the forefront of the new economy.

QB3 will install the most powerful high-field magnetic resonance imaging (MRI) system in the state, allowing physicians to detect certain cancers earlier, to treat diseases more effectively, and to work with private industry to bring this new technology into general clinical practice. Further applications will include the detailed study of diseases such as Alzheimer's, AIDS-associated dementia, multiple sclerosis, psychiatric diseases, drug and alcohol addiction, osteoporosis, and arthritis.

Location of QB3 at Mission Bay, with its high degree of physical connectivity to a private sector life sciences zone that will surround it, will enhance UCSF's work to create more partnerships with private industry. Such partnerships are a crucial factor in reducing the time it takes to translate research discoveries into applications that benefit the public. UCSF's presence at Mission Bay will serve as a magnet for biotechnology firms that will locate on the land surrounding the campus site. This project in particular will catalyze interactions between scientists at three UC campuses and the biotechnology industry to develop breakthroughs in the diagnosis, treatment, and prevention of disease. The project will also boost UCSF's ability to compete for crucial National Institute of Health research funds.

Project Description

The UC San Francisco segment of the Institute will be located at the Mission Bay campus in a building to be constructed immediately adjacent to Genentech Hall. The proposed building will be five stories and will be linked at all floors to Genentech Hall, which will also accommodate Institute scientists.

Institute scientists will occupy research laboratory and laboratory support space in this project. The research laboratories and support in the proposed QB3 building will be organized into three types: generic wet lab space for structural and chemical biology and bioengineering; dry lab or computational space for bioinformatics, bioengineering, or the imaging center; and laboratory space for visiting scholars designed to promote collaborative interactions with Institute scientists at the other campuses, as well as with private industry. Adjacent wet and dry lab space readily permits the flexibility for combined wet and dry laboratories. All of the Bioengineering and Biotechnology module scientists will be housed in the proposed QB3 building, and some of the Bioinformatics and Structural/Chemical Biology module scientists will be housed in the adjacent Genentech Hall. In total, approximately 24 Institute scientists and their research efforts will be accommodated in the QB3 building. The MRI facility located on the first floor and an Imaging Center located on the second floor will be major features of the project.

Building utility systems will be designed on a modular basis for flexibility and future adaptability to accommodate changes in research needs. A substantial pile foundation

system with a suspended and reinforced first floor slab will be required given the geotechnical conditions of the site. Owing to a lack of central facility support during Mission Bay Phase One development, a stand-alone utility plant will be required, but will be designed to connect to a future central utility plant. Special floor vibration construction will be required because of the sensitivity of laboratory equipment, especially the MRI.

Additional matching funds for this project include those associated with the Genentech Hall facility and operating funds from federal contracts and grants. Selected space in Genentech Hall is planned for use by the QB3 Institute, the value of which is to be attributed to the Institute and designated as matching funds.

Construction for the proposed QB3 Building project will begin in August 2002 and will be scheduled for completion by August 2004, with full occupancy by December 2004.

CEQA Classification

The 1996 Long Range Development Plan, Environmental Impact Report, and the 2001 Supplemental EIR provide environmental analysis for the Mission Bay site. This project is consistent with the LRDP. Further building-specific environmental analysis is in preparation and would be reviewed in conjunction with project design approval.

Financial Feasibility

It is proposed that the total project cost of \$100 million, including \$3.1 million of capitalized interest and administrative charges incurred during construction, be funded with State funds through the California Institutes of Science and Innovation program (\$55 million) and external financing using the Garamendi funding mechanism (\$45 million).

During the first two years the QB3 building expects that there will be a shortfall of federal indirect cost recovery totaling approximately \$1.1 million. This shortfall is expected to be reimbursed over the next two successive years, recognizing that after the building is completed, faculty and therefore research dollar receipts will be continuing to grow over an initial four-year period. As the shortfall occurs, the campus' share of the University Opportunity Fund will provide the amounts required for coverage. To the extent that there are annual surpluses, they will flow through the regular distribution process for indirect costs. For purposes of placing debt in the market, the campus pledges the University Opportunity Funds as the repayment source for these projects.

Assuming 27 year financing at 6.125 percent, the average annual debt service will be \$3,449,000. The campus is above the prescribed President's Office Opportunity Fund pledge and payments test for the actual payment of debt service. A waiver has been

granted by the Office of the President after review of other campus resources, including indirect cost recovery on private contracts and grants.

Upon motion duly made and seconded, the Committees approved the President's recommendation and voted to present it to the Board.

The meeting adjourned at 12:50 p.m.

Attest:

Secretary