

Office of the President

TO MEMBERS OF THE COMMITTEE ON GROUNDS AND BUILDINGS:

ACTION ITEM

*For the Meeting of March 13, 2007*

**AMENDMENT OF THE BUDGET FOR CAPITAL IMPROVEMENTS AND THE  
CAPITAL IMPROVEMENT PROGRAM, UCSF MEDICAL CENTER SB 1953  
MOFFITT/LONG 2008, SAN FRANCISCO CAMPUS**

**EXECUTIVE SUMMARY**

Campus: San Francisco

Project: SB 1953 Moffitt-Long 2008

Action: Approval of total budget augmentation of \$6,756,000 and consolidation of UCSF Medical Center SB 1953 Moffitt/Long 2008 Phase 1 and UCSF Medical Center SB 1953 Moffitt/Long 2008 Phase 2 projects.

Total Cost: \$36,723,000, funded from State lease revenue bonds, federal funds (FEMA), and hospital reserves.

Previous Actions: *Phase 1*  
**August 20, 2003:** President approved a capital improvement budget of \$9,988,000 for Phase 1, funded from State lease revenue bonds to meet 2008 non-structural performance category requirements.  
**May 31, 2006:** Vice President for Budget approved an augmentation (\$8,000) to the budget for Phase 1 to increase total cost to \$9,996,000, funded from State lease revenue bonds (\$8,000,000) and hospital reserves (\$1,996,000).

*Phase 2*  
**November 15, 2004:** Action by Concurrence approved a capital improvement budget of \$18,800,000 for Phase 2, funded from State lease revenue bonds (\$15,012,000) and hospital reserves (\$3,788,000).  
**May 31, 2006:** Vice President for Budget approved an augmentation (\$1,171,000) to the budget for Phase 2 to increase total cost to

\$19,971,000 from State lease revenue bonds (\$17,000,000) and FEMA funds (\$2,971,000).

**Project Summary:** The San Francisco campus requests approval to consolidate the Phase 1 and Phase projects and to augment the total budget for a combined UCSF Medical Center SB 1953 Moffitt/Long 2008 seismic upgrade project. The total project cost of \$36,723,000 would be funded from State lease revenue bonds (\$25,000,000), Federal FEMA funds (\$6,000,000), and hospital reserves (\$5,723,000).

**Issues:**

- Net augmentation of \$6,756,000 to be funded from FEMA funds (\$3,029,000) and hospital reserves (\$3,727,000).
- Combining of Phase 1 and Phase 2 projects supports the application of the campus an additional FEMA funds to offset the increase in construction costs.

**RECOMMENDATION**

The President recommends that the Committee on Grounds and Buildings recommend to The Regents that the 2006-07 Budget for Capital Improvements and the Capital Improvement Program be amended as follows:

From: San Francisco: UCSF Medical Center SB 1953 Moffitt/Long 2008 Phase 1 – preliminary plans, working drawings, and construction - \$9,996,000 to be funded from State lease revenue bonds (\$8,000,000), and hospital reserves (\$1,996,000).

San Francisco: UCSF Medical Center SB 1953 Moffitt/Long 2008 Phase 2 – preliminary plans, working drawings, and construction - \$19,971,000 to be funded from State lease revenue bonds (\$17,000,000), and Federal FEMA funds (\$2,971,000).

To: San Francisco: UCSF Medical Center SB 1953 Moffitt/Long 2008 – preliminary plans, working drawings, and construction - \$36,723,000 to be funded from State lease revenue bonds (\$25,000,000), Federal FEMA funds (\$6,000,000), and hospital reserves (\$5,723,000).

A Key to abbreviations and the project description are attached

KEY

Capital Improvement Program Abbreviations

<b>S</b>	Studies
<b>P</b>	Preliminary Plans
<b>W</b>	Working Drawings
<b>C</b>	Construction
<b>E</b>	Equipment
<b>-</b>	State Funds (no abbreviation)
<b>F</b>	Federal Funds
<b>G</b>	Gifts
<b>HR</b>	Hospital Reserve Funds
<b>I</b>	California Institutes for Science and Innovation
<b>LB</b>	Bank Loans or Bonds (External Financing includes Garamendi, Bonds, Standby, Interim and Bank Loans)
<b>LR</b>	Regents' Loans (Internal Loans)
<b>N</b>	Reserves other than University Registration Fee (Housing and Parking Reserves)
<b>R</b>	University Registration Fee Reserves
<b>U</b>	Regents' Appropriations (President's Funds, Educational Fund)
<b>X</b>	Campus Funds
<b>CCCI</b>	California Construction Cost Index
<b>EPI</b>	Equipment Price Index

2006-07 Budget for Capital Improvements  
 And Capital Improvement Program  
 Scheduled for  
 Regents' Allocations, Loans, Income Reserves,  
 University Registration Fee Reserves, Gift Funds,  
 and Miscellaneous Funds

Campus and Project Title (Total Cost)		Approved Phase 1		Approved Phase 2		Proposed 2006-07	
San Francisco	P	\$ 400,000		P	\$ 1,200,000	P	\$ 1,600,000
	W	\$ 600,000		W	\$ 1,300,000	W	\$ 1,900,000
SB 1953	C	\$ 7,000,000		C	\$ 14,500,000	C	\$ 21,500,000
Moffitt/Long 2008	C	\$ 1,996,000	HR	C	\$ 2,971,000	F	\$ 6,000,000
						C	\$ 5,723,000
						HR	

(\$36,723,000)

**DESCRIPTION**

This amendment to the Capital Improvement Program would consolidate the scope and budgets of two previously approved projects: UCSF Medical Center SB 1953 Moffitt/Long 2008 Phase 1 at a project cost of \$9,996,000 and UCSF Medical Center SB 1953 Moffitt/Long 2008 Phase 2 at a project cost of \$19,971,000, for a total project cost of \$29,967,000. The San Francisco campus seeks Regental approval of a consolidated project with a new total budget of \$36,723,000 that includes an augmentation of \$6,756,000 to the previously approved project budgets. Schedule extensions due to the Office of Statewide Health Planning and Development (OSHPD) delays in the approval process and required modification of construction phasing, as well as continuing escalation in construction costs, have contributed to higher total overall project costs.

Senate Bill (SB) 1667 (Chapter 71, 2000) appropriated \$600 million in State lease revenue bonds to be issued by the State Public Works Board (SPWB) to provide the University's teaching hospitals with funding to address seismic deficiencies as required to comply with SB 1953. In November 2000, The Regents allocated \$25 million to the UCSF Medical Center to address its seismic needs. Of these State funds, \$8 million was allocated to a Phase 1 project and \$17 million for Phase 2. The campus also received a total of \$6 million in federal FEMA funds to help defray construction costs in both Phases 1 and 2. Hospital reserve funding would cover the \$5,723,000 in remaining costs.

This consolidated project would provide both structural and non-structural seismic corrections to the Moffitt and Long Hospitals, which are part of the UCSF Medical Center located at the UCSF Parnassus campus site. The project improvements would allow the acute care hospitals to meet SB 1953 structural and non-structural criteria for 2008. The Regents were provided with related summary information on these projects in their November 2000 meeting regarding the seismic safety mandates established by the Legislature in 1994 through SB 1953.

## BACKGROUND

The UCSF Medical Center at Parnassus is located near Golden Gate Park on the northern slope of Mount Sutro in San Francisco. The Parnassus hospitals and clinics are located on a three-block site in an area shared with UCSF's health sciences schools. The 15-story, 579 licensed-bed inpatient building complex consists of interconnected Moffitt and Long hospitals which serve both adults and children. The acute care portion of the complex encompasses 662,278 gsf and only this area is included in the proposed project. Moffitt and Long Hospitals are separated with a seismic joint, but are programmed to function as one building. Moffitt Hospital, however, is physically attached to the adjacent Medical Sciences Building, an academic facility.

Consultant teams performed surveys of the UCSF Medical Center to evaluate the expected seismic performance of nonstructural and structural systems of its hospitals for compliance with SB 1953 seismic requirements for 2008.

To comply with SB 1953 **non-structural** performance requirements for 2008, non-structural systems in an acute care hospital building must meet or exceed a non-structural performance category (NPC) rating of NPC-3. Several non-bearing interior wall, storage, equipment, and mechanical systems must be anchored or braced to provide safe conditions during an earthquake.

To comply with SB 1953 **structural** performance requirements for 2008, the structural system of the acute care hospital building must meet or exceed a structural performance category (SPC) rating of SPC-2. Long Hospital was found to satisfy the 2008 requirement with a performance rating of SPC-4. Moffitt Hospital, however, was given a performance rating of SPC-1 and cannot comply with this requirement without correction of its structural system.

The structure of Moffitt Hospital has a higher potential risk of failure during a major earthquake because of its physical attachment to the structure of the Medical Sciences Building (MSB). The building plan of these conjoined facilities is a combination of the cruciform-shape of Moffitt Hospital and the long L-shape of MSB. With differences in lateral stiffness between the structures of the two buildings and the irregularity of their shape in combination, several floor slabs in the west wing of Moffitt Hospital could overstress in the event of a major earthquake, leading to slab failure and partial collapse.

### *Project Description*

The Phase 1 project, for the Moffitt and Long Hospitals, would include the securing of non-structural systems which would involve communications, emergency power supply, bulk medical gas, fire alarm, and emergency lighting. Other non-structural systems to be seismically braced include interior walls and partitions, cabinets and racks over 5-foot tall, suspended ceilings and light fixtures, mechanical and electrical equipment over 20 pounds, fire sprinklers, and utility pipes. The construction process requires proper planning of infection and dust control as well as intensive coordination between contractors and hospital staff to phase the work and avoid disrupting patients and staff.

The Phase 2 project would also implement structural changes to Moffitt Hospital so that it can meet 2008 SPC criteria. The project would entail cutting the beams and floor slabs on 15 floors so that Moffitt Hospital can be structurally separated from the Medical Sciences Building, to which it is presently attached. The project also would install seismic separation joints between the two buildings on all fifteen floors. This would allow the two buildings to move independently of each other in the event of a major earthquake, avoiding damage which would probably occur if they were to remain attached.

To simplify the path of the seismic cut, Cole Hall, a large auditorium which spans the Moffitt Hospital and Medical Sciences buildings, would be structurally separated from the Medical Sciences Building and remain attached to Moffitt Hospital.

Bids have been received for the final packages. Contract award is pending Regental approval of budget augmentation. The combined Phase 1 and Phase 2 project is 40 percent complete with project completion on schedule for June 2008.

### ***Green Building Standard and Clean Energy Standard***

This project will comply with the *University of California Policy on Green Building and Clean Energy Standards* approved by the Regents at their meeting of July 2003, as well as the *Presidential Policy for Green Building Design and Clean Energy Standards* dated June 16, 2004. As required by this policy, the project would adopt the principles of energy efficiency and sustainability to the fullest extent possible, consistent with budgetary constraints and regulatory and programmatic requirements.

### ***Environmental Impact Summary***

Pursuant to state law and University procedures for implementation of the California Environmental Quality Act (CEQA), the proposed project is consistent with the San Francisco campus Long Range Development Plan Amendment #2 Final Environmental Impact Report certified by The Regents in March 2005 (State Clearinghouse #92004072067). The potential environmental effects of the current proposal were analyzed in the LRDP FEIR Amendment #2, including seismic upgrades to hospital buildings, and the expansion of inpatient, surgery and outpatient space.

This project as an existing building is considered Categorically Exempt under class 1 of Section 15301 of the California Environmental Quality Act.

### ***Financial Feasibility***

The 2000 State Budget Act provided \$600 million of lease revenue bonds to be issued by the State Public Works Board (SPWB) to provide the Medical Centers of University of California with funding for reconstruction projects required to comply with SB1953. In November 2000, The Regents allocated \$25 million to the UCSF Medical Center for its projects identified in the discussion item. As in previous SPWB funding for other University projects since the mid-

1980s, the SPWB would lease a UCSF building from The Regents using the asset transfer mechanism and issue state lease revenue bonds to finance all or a portion of the costs. The UCSF Library building would be used as the asset to finance the seismic upgrading required for compliance with SB 1953. The University would build or renovate the project under an agreement with the SPWB. SPWB retains ownership of the Library building through the earlier of the term of the lease or full repayment of the SPWB bonds used for the project, after which ownership would return to the University.

If the Legislature fails to appropriate sufficient funds to make the rental payments, The Regents are obligated to pay rent from any lawfully available funds. When the obligations are retired, the site and facility leases would terminate and The Regents would regain clear title to the facilities.

For the consolidated UCSF Medical Center SB 1953 Moffitt/Long 2008 Phase 1 and Phase 2 projects, the total project cost is estimated to be \$36,723,000, of which \$25,000,000 is to be funded from State lease revenue funds, \$6,000,000 from federal FEMA funds received, and \$5,723,000 from hospital reserve funds.

ATTACHMENT 1

PROJECT STATISTICS  
UCSF MEDICAL CENTER SB1953 MOFFITT/LONG 2008  
CAPITAL IMPROVEMENT BUDGET  
SAN FRANCISCO CAMPUS  
CCCI 4328

<u>Cost Category</u>	<u>Amount</u>	<u>% of Total</u>
Site Clearance		
Building	\$29,702,000	80.9 %
Exterior Utilities		
Site Development		
A/E Fees	\$2,704,000	7.4 %
Campus Administration	\$1,334,000	3.6 %
Surveys, Tests, Printing	\$375,000	1.0 %
Special Items <sup>(a)</sup>	\$1,323,000	3.5%
Contingency	\$1,285,000	3.5 %
<b>Total</b>	<b>\$36,723,000</b>	<b>100%</b>
Group 2 & 3 Equipment		
<b>Total Project</b>	<b>\$36,723,000</b>	

Statistics

Gross Square Feet (gsf) <sup>(b)</sup>	751,187
Assignable Square Feet (asf) <sup>(b)</sup>	444,222
Ratio asf/gsf (%) <sup>(b)</sup>	59%
Building Cost/gsf	\$ 40

The gross square footage and assignable square footage above are the total combined square footages for the Moffitt and Long Hospitals, as the project has an effect on the seismic condition of the buildings as a whole; however, actual work impacts structural and non-structural elements on areas distributed throughout the buildings.

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**Comparable University Projects**

This is a specialized SB1953 seismic safety project. There are no comparable projects available.

- (a) Special items include hazardous materials survey, plan check fees, value engineering, constructability review, engineering studies, noise and vibration consultant, as-built condition survey, independent structural seismic review, and special field verification.
- (b) Gross square feet (gsf) is the total area, including usable area, stairways, and space occupied by the structure itself. Assignable square feet (asf) is the net usable area.