

Campus Planning Committee
February 5, 2010 9:00-11:00 a.m.
Phelps 2536

Members Present: Todd Lee, Marc Fisher, Joel Michaelsen, Reginald Archer, Michael Young, David Marshall, Jane Mulfinger, Richard Watts, Michael Witherell, Larry Coldren, Vickie Scott, Gene Lucas, Gary Greinke

Members Absent: Gerardo Aldana, Charlie Arreola, Ron Cortez, Margaret McMurtrey

I. ANNOUNCEMENTS

Assistant Chancellor Todd Lee announced that the Governor's budget was released in January. There is currently an identified State budget deficit of \$20 billion. Proposed deficit reduction measures include expenditure reductions, increases in additional federal funds and other alternative funding. Looking at the UC portion of the budget, the Regents asked for \$913 million. In response, the Governor's Office has proposed a total of \$370 million to UC. The Governor's proposal includes the restoration of \$305 million to UC. This means \$23 million for the Santa Barbara campus. Included in the proposal is enrollment funding of \$51.3 million and also about \$14 million for health benefits. The student fee increase effective in July would also be used to fund enrollment. For the first time, both the State and UC will pay for enrollment funding. Lastly, there is no proposed money for capital facilities. The Governor would come back with alternative funding options for capital programs in the May Revise.

II. MINUTES

The minutes from December 1st were approved as written.

III. ACTION ITEMS

IV DISCUSSION ITEMS

A. Five-Year Plan- campus Needs Funding Outlook

Director of Capital Development, Martie Levy, explained that normally her office would have a funding target from the Office of the President and a good sense of the planning environment for State capital funding. This year is unique in that there is currently no money for capital projects. As of yesterday, the Office of the President let Director Levy know that there will be no proposal for a General Obligation Bond this year. The next opportunity for a General Obligation Bond would be in 2012. That means that there will be four years without General Obligation Bond funding. On the positive side, the Governor's Office has asked UC to submit priorities for Lease Revenue Bond funding, but they have limited what they are willing to consider for Lease Revenue Bonds. They are not allowing any entity in the State to fund infrastructure projects with Lease Revenue Bonds. Also, projects are not eligible if the improvements will not last the entire term of the bond. Assistant Chancellor Lee reminded the Committee that Lease Revenue Bonds become part of the campus debt, but at a smaller percentage. The Life Sciences Building and CNSI are examples of Lease Revenue Bond funded projects. This type of funding does put restrictions on the space in terms of leasing space to outside entities and mandatory approvals through the State Public Works Board. Director Levy was happy to report that the Arts Building has already been approved for Lease Revenue Bond funding. This project should be under construction by the summer.

Projects that have received funding, but are currently frozen include Phelps Hall Renovation, Infrastructure Phase I and the Davidson Library Addition and Renewal. As discussed before, the Infrastructure project does not meet the requirements for Lease Revenue Bond funding. The campus will be using auxiliary campus funds first to keep this project moving forward, and

then use State funding after 2012. In contrast, the Davidson Library Addition and Renewal project does meet all criteria for Lease Revenue Bond funding and has a good shot for funding in the Governor's May revise. The space plan for the Phelps Hall Renovation project has significantly changed due to the delay in funding. Director Levy does not think it would be advantageous to the campus to get money for renovation until there is a new space plan.

Director Levy provided the Committee a handout summarizing the campus capital projects eligible for State-funding. New building need totals \$586 million and renewal need totals nearly \$382 million. To meet a critical campus need, it is clear that the proposed Bioengineering project should include a new vivarium mainly for mice. This project is eligible for shared State funding and it would be possible to identify between \$20-22 million within our state funding target by reprioritizing projects.

Executive Vice Chancellor Gene Lucas noted that space in Phelps Hall will not sit empty for four years and that the campus is currently looking for temporary uses. Space has not been fully assigned in Ellison Hall for the Geography department because there is still an Arts surge space need and an unresolved Political Science Department issue. He went on to state that the Geography Department's needs have not been fully met in Ellison, but the campus will resolve this issue in the near future. At the next meeting, Director Levy will present again on the Five-Year Plan and take a more in depth look at eligible state-funded project list and present on how particular projects fit into different priority categories.

B. Ten-Year Capital and Financial Plan

Director Levy shared a draft version of the Ten-Year Capital and Financial Plan tables and charts with the Committee. These materials are based on a change in enrollment planning; by 2019-20 our $\frac{3}{4}$ headcount will still be at the 20,000. This version of the Ten-Year Plan assumes that we will not be growing from an enrollment point of view. Because of the Governor's proposed budget, the Office of the President is re-looking at enrollment and might go back to a growth scenario. Director Levy informed the Committee that her presentation is based on the 1990 LRDP in terms of enrollment and faculty growth, which would allow the campus to go the Regents for approval sooner.

The campus's current space need estimate is about 600,000 more square feet. 150,000 of that is replacement space, resulting in a net new need of 500,000 square feet. This does not include housing. In the past ten years, the campus has had about a \$1 billion capital program. Of that, 54% was funded through campus debt, 29% state appropriations, with the rest funded through gifts, federal and university funding. The State-Funded Program is based on our funding target at \$155 million, plus an addition four-year projection. Our State-Funded Program totals around \$266-267 million in this ten-year period of time.

The Ten-Year Plan can be amended every year by the campus. The Chancellor must do a formal update every five years. Even though the planning environment has changed dramatically and is unpredictable, there is a big push from the Office of the President for every campus to have a Ten-Year Plan. Right now, only four campuses have approved Ten-Year Plans. It is taking months to get projects through the Office of the President in this current environment. If the campus does not complete a Ten-Year Plan, then Director Levy was told that the Chancellor does not get the delegation and the campus must continue going through the same process that it has always done. Additionally, Office of the President would require a draft Ten-year plan in order to have our campus need rolled up with all the other campuses for the Office of the President to present to the Regents. If the Ten-Year Plan is based on the 1990 LRDP, we cannot justify enrollment growth projects. This impacts the student housing projects,

the Ucen Expansion project, the Recreation Center Expansion project and some of the Research Buildings. The first version of the Ten-Year Plan was based on an enrollment growth of 5,000. If the plan switches to the 1990 version, many projects will need to drop off. Also, there are issues with site capacity if the plan is base don the 1990 LRDP.

V. INFORMATION & FOLLOW-UP ITEMS

A. Faculty Club Task Force Report

Director Levy announced that a work group has been established with the Faculty Club and Housing. The first phase of the feasibility study will update the program and hire a cost estimator to test whether the \$10 million proposal can cover both renovation and the building of the additional guest rooms. If the feasibility test passes, then we will go out for an executive architect and bring back the hotel consultant to test the business plan feasibility.

B. Status Report: Special Projects Subcommittee

No report.

C. Status Report: Design Review Committee

Senior Associate Vice Chancellor Marc Fisher announced that they are planning two meetings to look at the pool project and the Bioengineering project.

D. Status Report: Faculty & Staff Housing

Assistant Chancellor Lee updated the Committee on the Sierra Madre Project. The University and the Towbes Group are reviewing a draft term sheet. The campus expects comments back in the next week or so. They are moving forward on the site plan. A major issue is the mass of the three-story building on the site.

E. Status Report: Student Housing

No report.

F. Long Range Development Plan- vision 2025

No report.

G. Status Report: Major Capital Projects

Attached.

VI. Correspondence

Meeting adjourned at 10:45 PM

Minutes taken by Jasmine Weiss, Office of Budget & Planning