

Meeting Minutes – April 26, 2015- 2:00pm-4:00pm

Location:	Phelps Hall Room 2536
Members Present:	Todd Lee, Josh Schimel, Kum-Kum Bhavnani, Marc Fisher, Stan Awramik, Jeffrey Stopple, Beverly Colgate, Margaret Klawunn, Martin Shumaker, Margaret Klawunn, Richard Watts
Members Absent:	Rod Alferness, Aaron Jones, Jimmy Villareal, Timothy Sherwood, Rod Alferness, Melvin Oliver, David Marshall, Joshua Schimel
Alternates Present:	Chris LaVino, Lisa Sedgwick, Bill McTague

I. Announcements

Todd Lee, Assistant Chancellor, Budget & Planning, provided an update on the budget sent from the UC to the State Senate and Assembly for review. He noted the following:

- There has been a 4% increase for the UC from state general funds in each of the next 4 years.
- No tuition increase was included.
- One time funding to assist with programs such as deferred maintenance, energy savings and pension liability was included.
- There were no new state funds for the capital program.
- An absence of a general obligation bonds impacts state-funded capital programs.
- The UC is directing all capital funding towards the Merced 2020 Capital Plan for this budget year.

II. Minutes

The minutes from 9-29-15 were approved as written.

III. Consent Agenda

A. Sedgwick Reserve Dormitory Housing PPP

The master plan will be updated to be consistent with the proposal. This will occur once the EIR is updated to comply with the pending grant application.

IV. Action Items

N/A

V. Discussion Items

A. MultiCultural Expansion Project PPP

Zaveeni Khan-Marcus, Director of the MultiCultural Center, introduced the project as a modest expansion to the existing space in response to enrollment growth and an increasingly diverse student population.

She specified that additional space is needed to provide office and storage space for the current staff, conferencing room space, and a kitchen renovation. It was noted that students have voiced support for the project.

In response to the proposal, two concerns were raised, 1) There is often a disproportionate expense associated with smaller projects and this cost estimate may not have accounted for that, and 2) The project could also be in conflict with longer range plans for potential future expansion of the UCen.

MCC referenced the 2014 UCen Student Center proposal which included a comparable renovation that had an estimated construction cost of approximately \$1.5 million, escalated to 2016. Staff noted that the construction cost estimate excluded “soft cost” that are added to a project to arrive at the total cost of the project.

MCC was advised also to consult with the UCen Governance Board which oversees UCen operations and future plans for the facility prior to an action by CPC.

Director of Capital Development, Chuck Haines explained that a major project may proceed to feasibility or programming only after it has become an Action Item with an affirmative recommendation by the committee, and after approval of the chancellor.

B. Music Building Renovation PPP

John Majewski, Interim Dean, Humanities and Fine Arts provided a slide presentation of the Music Department’s proposal. He described the project as a renovation of space vacated by the Arts Library in response to the department’s current seismic deficiencies, wear and tear, functional needs.

The Music Department was noted in terms of its high quality faculty, superior programs, and distinguished approach to performance and academics. By contrast, the Music Building presents a hindrance to faculty, students and staff. Not only does the North Building rate seismically poor, it shows 60 years wear and tear, suffers building systems that are out dated, and fails to accommodate the functional requirements of music education and research.

It was noted that a prior study addressed these challenges and proposed a new building (replacement) and renovation project estimated to cost \$72 million in 2005. Although capital funding has since then been delayed, the project retains its priority in the campus’ 10-Year Capital Financial Plan (CFP). In the meantime, the Music Department’s proposal represents a

first step, multi-purpose solution until the larger funding becomes available. The cost of the currently proposed renovation is estimated at \$15 million.

Majewski described the plan to remove high population functions from the structurally deficient areas and replace them with storage and other low population functions. Those high population functions would be relocated to the recently vacated Arts Library which would be renovated to house department offices, instructional spaces, faculty offices and practice space. The benefits include enhanced safety, improved function, and a new identity for the Music Building as the hub of the arts district. Other advantages were emphasized with respect to funding, logistics, and the opportunity to improve the interdisciplinary connections between colleges that define the university.

Director Haines explained how the project allows the renovation of a large portion of the complex at low cost while availing the North Building for a new multi-story building site to be shared with other departments in the future. Additionally, he noted that conditions are favorable for this project to receive General Funds Financing (GFF). As such it will need to be included in the 10 Year Capital Financial Plan that is currently in finalization. CPB is to be consulted to discuss timing this month. Staff is to report on those discussions in the next CPC meeting May 31.

VI. Information & Follow-up Items

A. Status Report: Special Projects Subcommittee

No report.

B. Status Report: Design Review Committee

No report.

C. Status Report: Faculty & Staff Housing (T. Lee)

Assistant Chancellor Lee provided an update on Phase 3 of the Ocean Walk development. Of the 30 units available 18 are reserved, he said. Sales closings and occupancies are expected to begin this summer.

Lee reported there have been concerns raised about the affordability of the Phases 3 homes. He explained the reasons behind a price increase from Phase 1 and Phase 2 units compared to those of Phase 3. Essentially the Phase 3 units are larger, single family homes located on prime real estate. Additionally, the lack of competition among construction bidders has further driven costs up due in part to the project's locality and scale.

With this in mind, he was emphasized that measures to harness affordability with respect to Phase 4 and Phase 5 are under consideration. Smaller units and duplexes are being planned as well as construction contracts that combine Phase 4 with Phase 5.

Several committee members pointed to the disconnect between junior faculty salaries and affordable housing. It was further noted how the issue could be exacerbated by the impending hiring boom.

In response, Lee said Campus is considering different options to create affordable financing. They include:

- a new supplement home loan @ 5% down
- a 40-year loan
- the use of a relocation allowance as a forgivable loan

It was also suggested that new buyers may consider rentals in Sierra Madre as a transition into the market. In this case new lease terms will need to be explored.

Lee stressed that the committee's concerns about affordability are being taken very seriously. The challenge is matching supply and demand within the confines of land restrictions and campus's commitment towards a quality of construction that ensures building longevity.

D. Status Report: Student Housing (M. Fisher)

San Joaquin Student Apartments and New Dining Commons

Construction is in progress. Student occupancy will occur in increments between Fall 2016 and Spring 2017. The dining commons is expected to open December 2017. Upon completion, San Joaquin will add another 1000 student beds to the Campus's portfolio.

Sierra Madre Student Apartments

Feedback from residents has been generally positive. The meeting rooms and common spaces are now open and are considered nice amenities. Of the 35 apartments that have been reserved for lease to staff and faculty, 9 staff will have moved in by next week. This represents a 15% take rate from the original wait list. Faculty leases are to follow this summer.

E. Status Report: Major Capital Projects

Report Attached.

A question was raised about whether or not the list of Major Capital Projects should include plans for new classroom space. Haines explained that only projects currently in progress are listed. Nevertheless, the classroom project is included in the Capital Financial Plan and the Chancellor is aware of its high priority.

VIII. Correspondence

Meeting adjourned at 3:24pm

Minutes taken by Carolyn Franco, Office of Budget & Planning