



OFFICE OF THE PRESIDENT

*Robert C. Dynes*  
*President*

1111 Franklin Street  
Oakland, CA 94607-5200  
Phone: (510) 987-9074  
Fax: (510) 987-9086  
<http://www.ucop.edu>

December 21, 2007

**CHAIRMAN OF THE BOARD  
CHAIRMAN OF THE COMMITTEE ON GROUNDS AND BUILDINGS  
PRESIDENT OF THE UNIVERSITY**

**ACTION BY CONCURRENCE - AMENDMENT OF THE BUDGET FOR CAPITAL IMPROVEMENTS AND THE CAPITAL IMPROVEMENT PROGRAM AND APPROVAL OF EXTERNAL FINANCING FOR COWELL COLLEGE COMMONS SEISMIC AND CAPITAL RENEWAL, SANTA CRUZ CAMPUS**

**EXECUTIVE SUMMARY**

- Campus: Santa Cruz
- Project: Cowell College Commons Seismic and Capital Renewal
- Action: Approval of project budget of \$13,584,000 and external financing
- Total cost: \$13,584,000 to be funded from University Housing Reserves (\$896,000) and external financing (\$12,688,000).
- Previous Actions: **None**
- Project Summary: The Santa Cruz campus proposes the renovation of the original dining hall, servery, kitchen and food preparation areas of the Cowell College Commons Building, which was constructed in 1966, and the seismic upgrade of the basement and first floor levels of the building to obtain a "good" seismic performance rating.
- Issues:
- The building was rated seismically "poor" in 1998.
  - Approval for external financing of \$12,688,000.
  - This project is currently included as part of the Five-Year Non-State Capital Program.

It is recommended that:

**Pursuant to Standing Order 100.4(q)**

- (1) The President amend the 2007-08 Budget for Capital Improvements and the Capital Improvement Program to include the following project:

UC Santa Cruz: Cowell College Commons Seismic and Capital Renewal  
- preliminary plans, working drawings, construction, and  
equipment - \$13,584,000 to be funded from university  
housing reserves (\$896,000) and external financing  
(\$12,688,000).

**Pursuant to Standing Order 100.4(nn)**

- (2) The President approve and authorize external financing not to exceed \$12,688,000 to finance the project listed in (1) above, subject to the following conditions:
  - a. Interest only, based on the amount drawn down, shall be paid on the outstanding balance during the construction period;
  - b. As long as the debt is outstanding, University of California Housing System (UCHS) fees for the Santa Cruz campus shall be maintained in amounts sufficient to pay the debt service and to meet the related requirements of the authorized financing; and
  - c. The general credit of The Regents shall not be pledged.
- (3) The Officers of The Regents be authorized to provide certification to the lender that interest paid by The Regents is excluded from gross income for purposes of federal income taxation under existing law.
- (4) The Officers of The Regents be authorized to execute all documents necessary in connection with the above.

A Key to abbreviations and the project description are provided below.

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, Stand-By, 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

Budget for Capital Improvements and  
 Capital Improvement Program  
 Scheduled for  
 Regent's Allocations, Loans, Income Reserves,  
 University Registration Fee Reserves, Gift Funds, and Miscellaneous Funds

Campus and Project Title ( <u>Total Cost</u> )		<u>Proposed</u> <u>2007-08</u>	
<u>Santa Cruz</u>			
Cowell College Commons	P	\$288,000	N
Seismic and Capital Renewal	W	\$358,000	N
	W	\$209,000	LB
	C	\$ 12,479,000	LB
(\$13,584,000)	E	\$250,000	N

**DESCRIPTION**

This project would combine capital renewal and seismic corrections for a portion of the Cowell College Commons building on the Santa Cruz campus. The scope of this project includes the renovation of the original dining hall, servery, kitchen and food preparation areas, and the correction of structural seismic deficiencies in the dining hall and commons on the first floor and office areas in the basement. The project cost would be \$13,584,000 to be funded from housing reserves (\$896,000) and external financing (\$12,688,000).

***Background***

The Cowell College Commons building was originally constructed in 1966, and the building is a 27,093-asf, three-story concrete and wood structure, housing a student dining hall and commons, galleries, academic offices, conference/meeting rooms and classrooms. The dining hall was originally built to serve 412 residents. Currently the dining hall is supporting a residential population of approximately 1,300 students. The current population represents more than a 300 percent increase over the designed capacity. The campus dining program has had a steady increase in student participation since 1996, responding to a dramatic increase in campus enrollments and on-campus housing. In the past three years, the University has added both permanent and temporary bed spaces in order to meet the increased student housing demand. In the fall of 2004, new apartments opened at Cowell, Porter and Stevenson Colleges, adding 182, 142 and 328 bed spaces, respectively. Additionally, almost all campus residents are now on a mandatory meal plan.

The increase in residents and the mandatory meal plans have had the greatest impact at the Cowell College Dining Hall, which was designed for fewer boarders and has a traditional cafeteria-style service. The recent construction and opening of the nearby Humanities and Social Sciences Buildings have brought additional customers to the dining hall.

While there have been increases in both new and overflow student housing bed spaces, there have not been any improvements to the Cowell College dining facilities. In 2004, campus Housing and Dining Services began planning for the phased upgrade, renovation and/or major maintenance of several of the college facilities over several years. This is the third of these projects and would be followed by a similar project for Porter College.

UC Santa Cruz is located in a region of high seismicity. The campus lies 10 miles west of the San Andreas fault, 8 miles east of the San Gregorio fault, 22 miles west of the Sargent fault, and 28 miles west of the Calaveras and Evergreen faults. Following the Loma Prieta, Northridge, and Kobe earthquakes, the campus evaluated the seismic performance of several of its housing and dining facilities and identified this deficiency.

In 1983, a seismic upgrade was performed for the dining area only at Cowell College. The remaining commons areas were not upgraded at that time. In 1998, a seismic study conducted by Wildman and Morris Engineers rated the Cowell College Commons Building seismically “poor” and noted a seismic event could present serious life-safety hazards. In January 2006, another seismic assessment report of Cowell College Commons building was done for housing by Forell/Elsesser Engineers. Their report reiterated the findings of the 1998 report and identified additional deficiencies. The seismic deficiencies identified include, but are not limited to, concrete frames at the basement that do not have adequate strength and ductility, connections to shear walls that are not adequate, diaphragms without adequate reinforcement at openings and reentrant corners, shear walls not adequately braced out-of-plane, a potential loss of gravity support at the roof connections between the kitchen and dining areas, and insufficient 1983 retrofit detailing at the braced frame.

### ***Project Description***

The *Cowell College Commons Seismic and Capital Renewal* project would correct the building structural systems to obtain a “good” seismic performance rating in accordance with University seismic policies. In addition, the campus is required to bring the building into compliance with the State of California Building Code and Title 24 Accessibility Standards.

Seismic upgrades would include bracing the connections to shear walls and foundations, reinforcement of roof diaphragm connections at the retrofit outside the dining area, adding lateral resistance, adding supplemental gravity support, and adding shear walls to the basement framing. This project would include a new roof structure and tie downs, new steel bracing, and collector elements.

Additionally, accessibility issues would be addressed throughout the dining room and food service areas, and asbestos abatement would take place. An elevator connecting the basement and first floor levels would be installed near the new dining hall entrance to provide ADA access for students from the nearby Cowell and Stevenson apartments. The restroom facilities that serve the dining hall no longer meet code or ADA requirements, and dining hall accessibility issues would also be addressed.

The non-structural components of this project focus on the renovation of the dining hall, kitchen and servery areas on the first floor. The entrance to the dining hall would be relocated in order to eliminate long lines and crowding in the servery. A wall that currently separates the servery from the kitchen would be removed to create a larger servery and visually connect the kitchen, giving the sense of activity and adding visual interest. The dish drop area would be relocated to eliminate congestion and to separate the dish drop from the servery entrance. Operable windows would be installed at key areas around the perimeter of the dining room to maximize natural ventilation. An existing balcony would be reopened for additional seating and outdoor dining.

The dining hall renovation would include improvements to incorporate a modified “Marketplace” design, implementing multiple food platforms where food items would be prepared and served. The renovation project would provide an additional 300 sq. feet of servery space within the building envelope. An enlarged servery would allow for much of the food preparation and presentation that currently takes place along a serving line to be dispersed at cooking platforms throughout the new servery. This style of presentation would reduce crowding in the service area and improve meal delivery to the students.

Outdated kitchen equipment, refrigeration, and lighting would be replaced with equipment that is more energy efficient. Some areas would be reconfigured for better ergonomics and space efficiency. The renovation would also address all code, hazardous material and accessibility issues in the Cowell dining room and food service areas.

Construction would begin in June 2008 with completion in March 2009. The Cowell kitchen, servery and dining hall would be closed during the construction, and the Merrill dining hall, recently converted to use as a Cultural Event Center, would be temporarily re-commissioned for use as a dining hall. Food preparation would be provided by the Crown College kitchen, and the Cowell commissary/production functions would be transferred temporarily to College Eight.

### ***Policy on Sustainable Practices***

Because the University has taken recent efforts to establish requirements for sustainable construction, this project will strive for sustainable solutions wherever possible; specifically in building materials, paint, carpet, lighting, equipment, and furniture purchases. This project will be LEED-CI equivalent at the certified level and will comply with the University of California Policy on Sustainable Practices.

Additionally, the Cowell dining hall was just awarded Green Business Certification by the City of Santa Cruz for meeting required criteria in the areas of pollution prevention, energy and water conservation, solid waste reduction, code compliance, and employee awareness and training. The certificate was presented November 13, 2007.

### ***CEQA Classification***

The project is consistent with the campus’ 1988 Long Range Development Plan. For purposes of compliance with the California Environmental Quality Act of 1970 (CEQA) and Amended

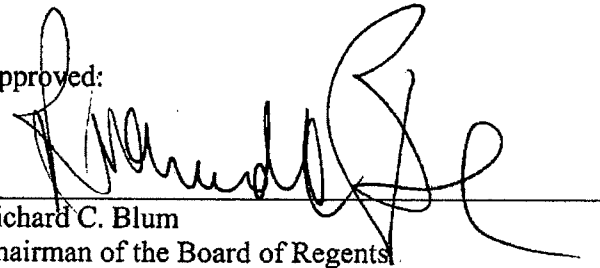
University of California Procedures for Implementation of CEQA, this project has been reviewed and determined to be Categorical Exempt as a Class 1 Existing Facility.

***Financial Feasibility***

The total project cost of \$13,584,000 would be funded from a combination of external financing (\$12,688,000) and University of California Housing System (UCHS) net revenue funds (\$896,000).

Assuming a debt of \$12,688,000 amortized over 30 years at 5.75 percent interest, the annual debt service is estimated at \$897,000. As long as the debt is outstanding, University of California Housing System (UCHS) fees for the Santa Cruz campus shall be maintained in amounts sufficient to pay the debt service and to meet the related requirements of the authorized financing. It would not be necessary to raise student room and board fees above the projected 5 percent annual increase through 2010-11 as planned and included in the campus UCHS Ten-Year Financial Plan.

Approved:



---

Richard C. Blum  
Chairman of the Board of Regents

---

Joanne C. Kozberg  
Chairman of the Committee on Grounds and  
Buildings

---

Robert C. Dynes  
President of the University

Attachments

University of California Procedures for Implementation of CEQA, this project has been reviewed and determined to be Categorical Exempt as a Class 1 Existing Facility.

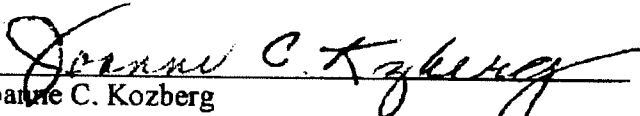
**Financial Feasibility**

The total project cost of \$13,584,000 would be funded from a combination of external financing (\$12,688,000) and University of California Housing System (UCHS) net revenue funds (\$896,000).

Assuming a debt of \$12,688,000 amortized over 30 years at 5.75 percent interest, the annual debt service is estimated at \$897,000. As long as the debt is outstanding, University of California Housing System (UCHS) fees for the Santa Cruz campus shall be maintained in amounts sufficient to pay the debt service and to meet the related requirements of the authorized financing. It would not be necessary to raise student room and board fees above the projected 5 percent annual increase through 2010-11 as planned and included in the campus UCHS Ten-Year Financial Plan.

Approved:

\_\_\_\_\_  
Richard C. Blum  
Chairman of the Board of Regents

  
\_\_\_\_\_  
Joanne C. Kozberg  
Chairman of the Committee on Grounds and Buildings

\_\_\_\_\_  
Robert C. Dynes  
President of the University

Attachments



University of California Procedures for Implementation of CEQA, this project has been reviewed and determined to be Categorically Exempt as a Class 1 Existing Facility.

***Financial Feasibility***

The total project cost of \$13,584,000 would be funded from a combination of external financing (\$12,688,000) and University of California Housing System (UCHS) net revenue funds (\$896,000).

Assuming a debt of \$12,688,000 amortized over 30 years at 5.75 percent interest, the annual debt service is estimated at \$897,000. As long as the debt is outstanding, University of California Housing System (UCHS) fees for the Santa Cruz campus shall be maintained in amounts sufficient to pay the debt service and to meet the related requirements of the authorized financing. It would not be necessary to raise student room and board fees above the projected 5 percent annual increase through 2010-11 as planned and included in the campus UCHS Ten-Year Financial Plan.

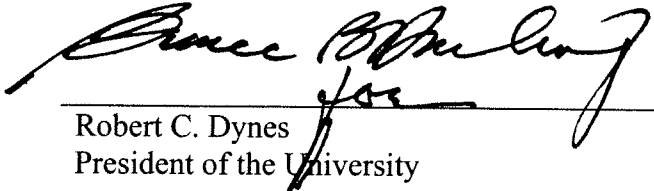
Approved:

---

Richard C. Blum  
Chairman of the Board of Regents

---

Joanne C. Kozberg  
Chairman of the Committee on Grounds and  
Buildings



---

Robert C. Dynes  
President of the University

Attachments

**PROJECT STATISTICS  
COWELL COLLEGE COMMONS SEISMIC AND CAPITAL RENEWAL  
CAPITAL IMPROVEMENT BUDGET  
SANTA CRUZ CAMPUS  
CCCI 5371**

<u>Cost Category</u>	<u>Cowell College Commons</u>	<u>% of Total</u>
Site Clearance	\$ 10,000	0.0 %
Building	10,133,000	76.0 %
Exterior Utilities	75,000	0.6 %
Site Development	157,000	1.2 %
A/E Fees	750,000	5.6 %
Campus Administration <sup>(a)</sup>	278,000	2.1 %
Surveys, Tests	24,000	0.2 %
Special Items <sup>(b)</sup>	869,000	6.5 %
Contingency	1,038,000	7.8 %
<b><u>Total</u></b>	<b>\$ 13,334,000</b>	<b>100 %</b>
Groups 2 & 3 Equipment	250,000	
<b><u>Total Project</u></b>	<b>\$ 13,584,000</b>	<b>100 %</b>

<u>Statistics</u>	<u>Cowell College Commons</u>
Gross Square Feet (GSF) <sup>(c)</sup>	35,667
Assignable Square Feet (ASF) <sup>(c)</sup>	21,686
Ratio ASF/GSF (%) UC	61%
Building Cost/GSF <sup>(c)</sup>	\$284

- (a) Campus administration includes project management and inspection.
- (b) Special items include environmental planning, permits and agency review, geotechnical and geology consultants, independent seismic review, special roofing consultant, EH&S monitoring and testing, pre-design studies, food service consultant, value engineering and constructability review, and special cost estimation totaling \$463,000, and interest during construction totaling \$406,000.
- (c) 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. The statistics shown are for only the portion of the building included in the scope of work for this project .

ATTACHMENT 2

SUMMARY FINANCIAL FEASIBILITY ANALYSIS

Project Title: Cowell College Commons Seismic and Capital Renewal, Santa Cruz campus

Total Estimated Project Cost \$ 13,584,000

Proposed Source of Financing:

External Financing	\$ 12,688,000
UC Housing System Net Revenue Fund	\$ 896,000
Total	\$ 13,584,000

Projected Bond Terms:

Interest rate: 5.75%  
Duration: 30 years

Santa Cruz UCHS Campus Information (2010-11)<sup>1</sup>

Campus UCHS Revenue \$ 81,932,000

Campus UCHS Operating Expenses \$ 56,885,000

Net Revenues Available for Debt Service (including STIP) \$ 25,046,000

Annual Debt Service

Principal and Interest –	
Cowell College Commons Seismic and Renewal	\$ 897,000
Existing facility principal and interest	\$ 14,556,000
Total	\$ 15,453,000

Annual Surplus for Major Maintenance \$ 9,593,000

Debt Service Coverage 1.62X

UC Housing System Information (2009-10)

Estimated average annual net revenues	\$305,651,000
Estimated average annual loan payments	\$191,018,000
Estimated annual surplus for major maintenance	\$114,633,000
Estimated debt service coverage	1.60X

---

<sup>1</sup> First full year of interest and principal