



Presentation to the
Grounds and Buildings Committee:
*Discussion of Seismic and Other Future Capital
Needs*

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University of California Seismic Policy: Objectives

- “...acquire, build, maintain, & rehabilitate buildings and other facilities which provide an acceptable level of earthquake safety...”
- “...to repair University buildings & other facilities damaged by an earthquake...”

Seismic Rehabilitation Standards

- “Seismic rehabilitation projects shall provide, as a minimum, an acceptable level of earthquake safety based on the sole consideration of the protection of life and prevention of personal injury.”

Policy Evolution

- 1975 UC Seismic Safety Policy
- 1978 Degenkolb survey established initial seismic ratings for buildings
- 1986 Independent Seismic Review of Structures and Purchased & Leased Buildings added to policy
- 1997 Major revision of Purchased & Leased Buildings Policy; Second survey of existing buildings
- 2007 Major revision of purchase/lease policy

Abatement Program & Rating Process

- Campus evaluation performed by independent consulting structural engineer experienced in field investigations and analyses of earthquake damage
 - Certifies compliance with CA Building Code, other applicable acceptable standard, or local seismic requirements, whichever is more stringent
 - Rates the buildings: *Good, Fair, Poor, Very Poor*

Rating System



Good

Fair

Poor

Very Poor

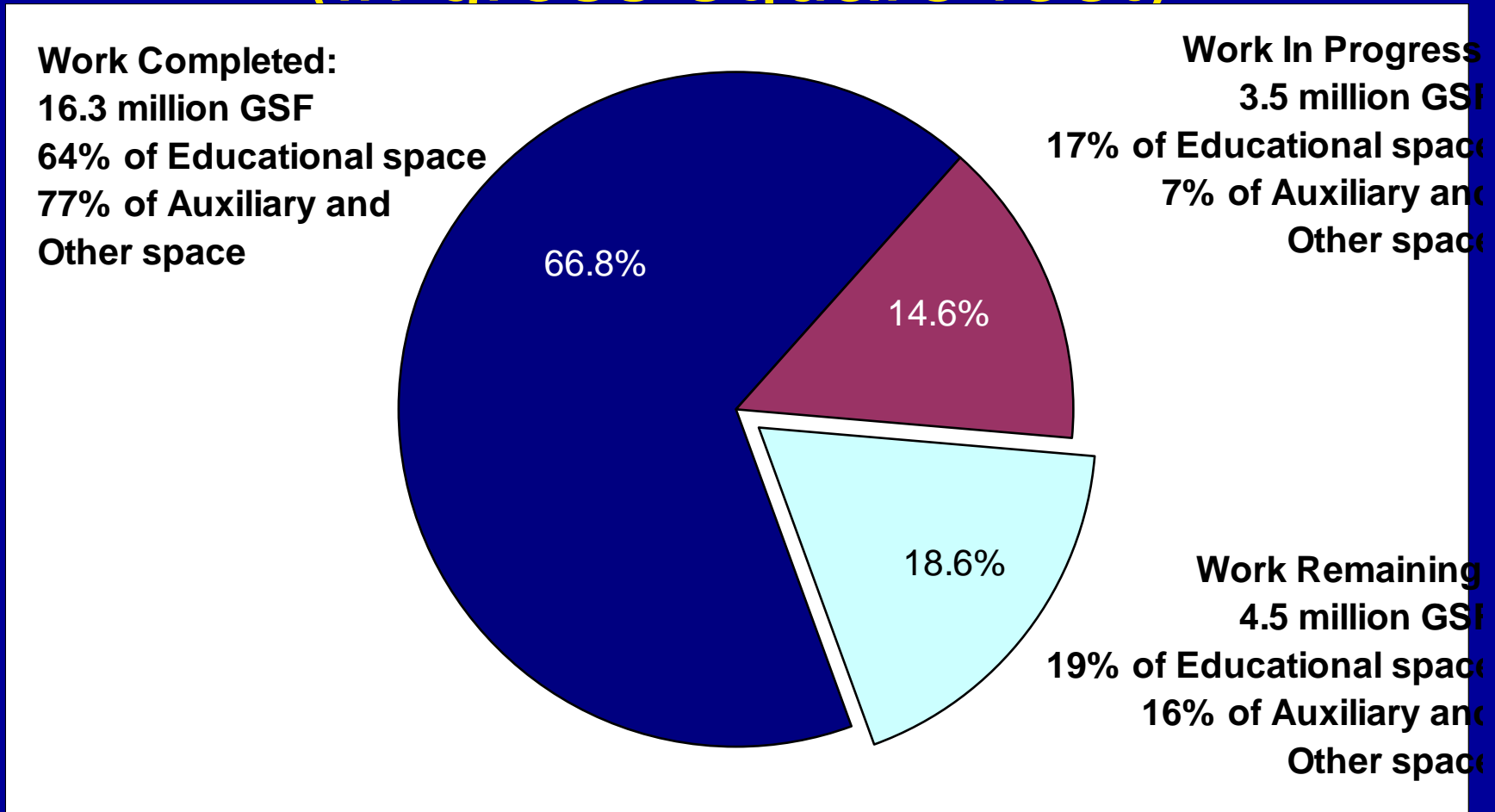


No action is needed.

Project added to priority list.

Status of Seismic Work: 1979 to Present

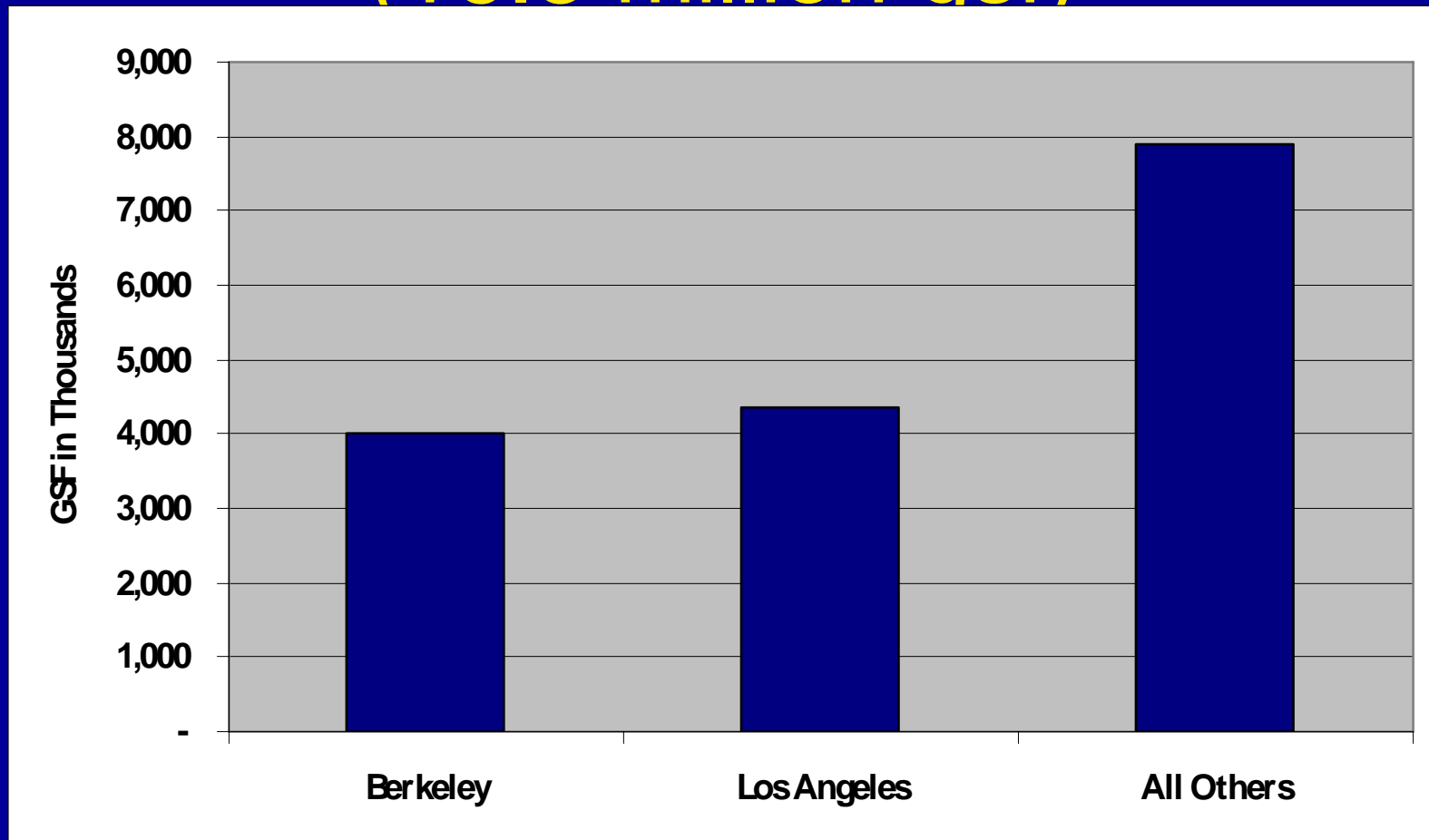
(in gross square feet)



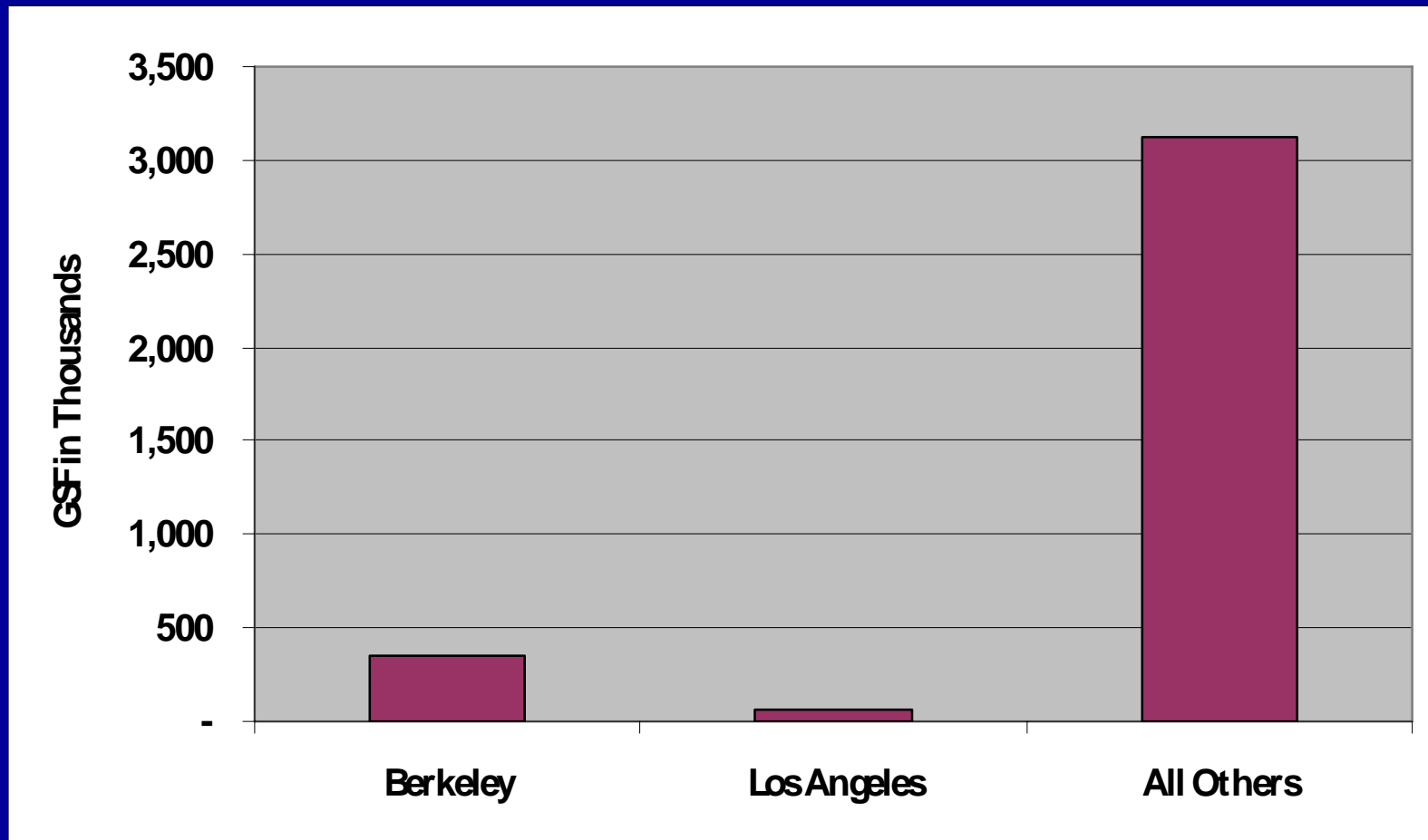
Funding Sources for Completed Work (\$1.7 billion)

- State bond funding: \$509 million
 - General Obligation & lease revenue bonds
 - Includes a portion of \$600 million of state lease revenue bond appropriation for hospital seismic safety improvements
- Campus resources: \$500 million
 - Reserves (hospitals, housing, etc.)
 - External financing
 - Auxiliary revenues
 - Other funds (e.g., Student Fees, Opportunity Funds)
- FEMA funds: \$671 million

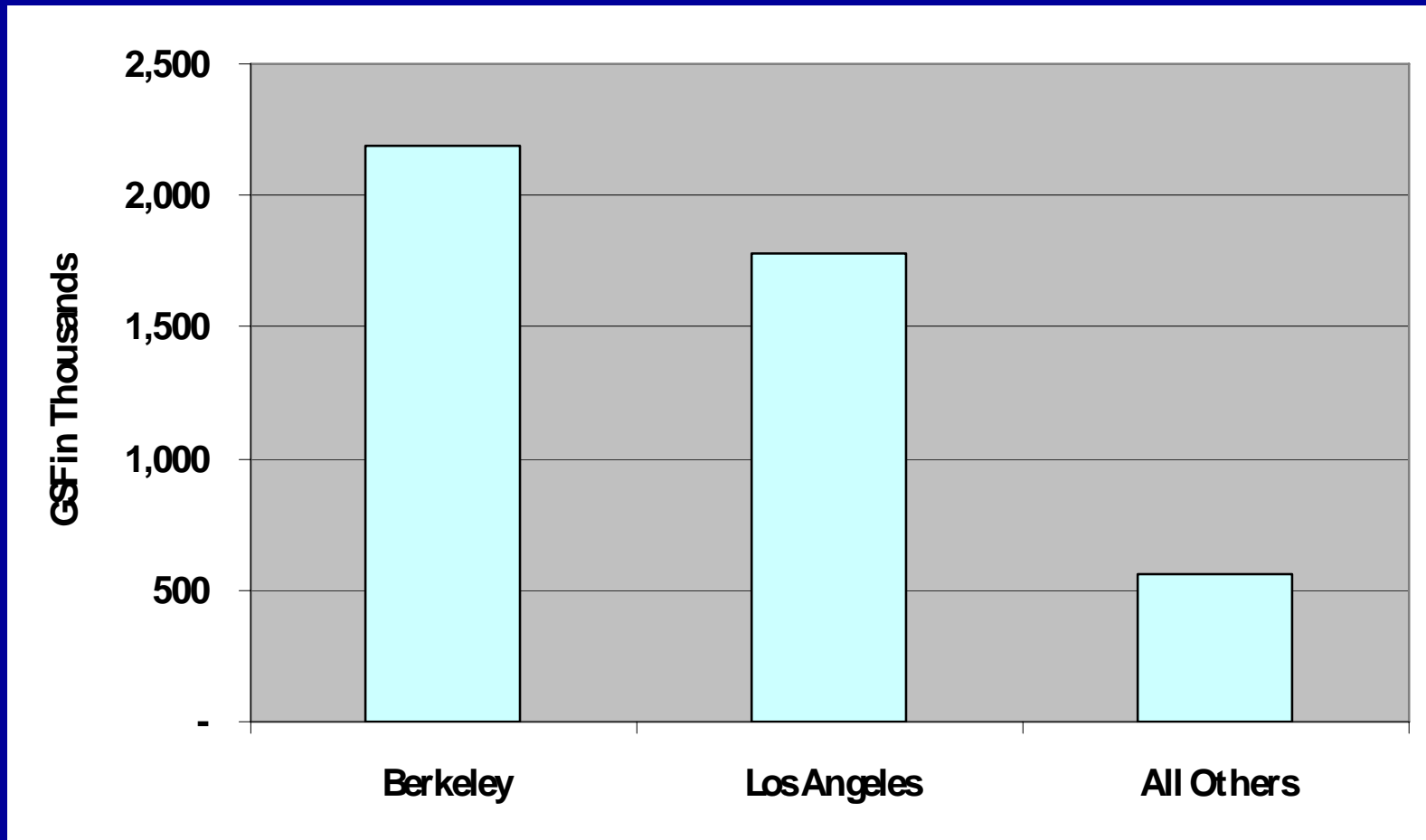
Seismic Work Completed Since 1979 (16.3 million qsf)



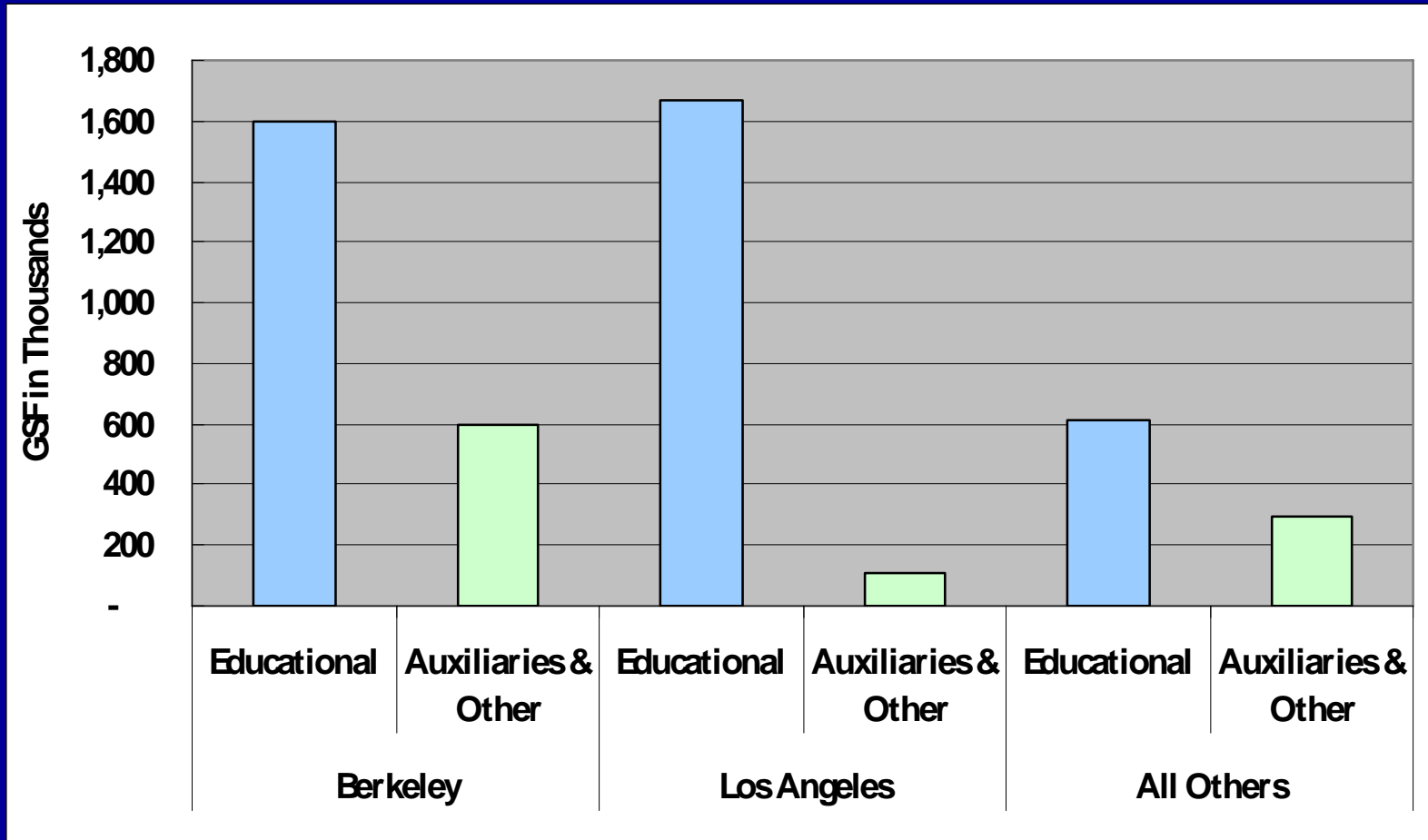
Seismic Work in Progress (3.5 million gsf)



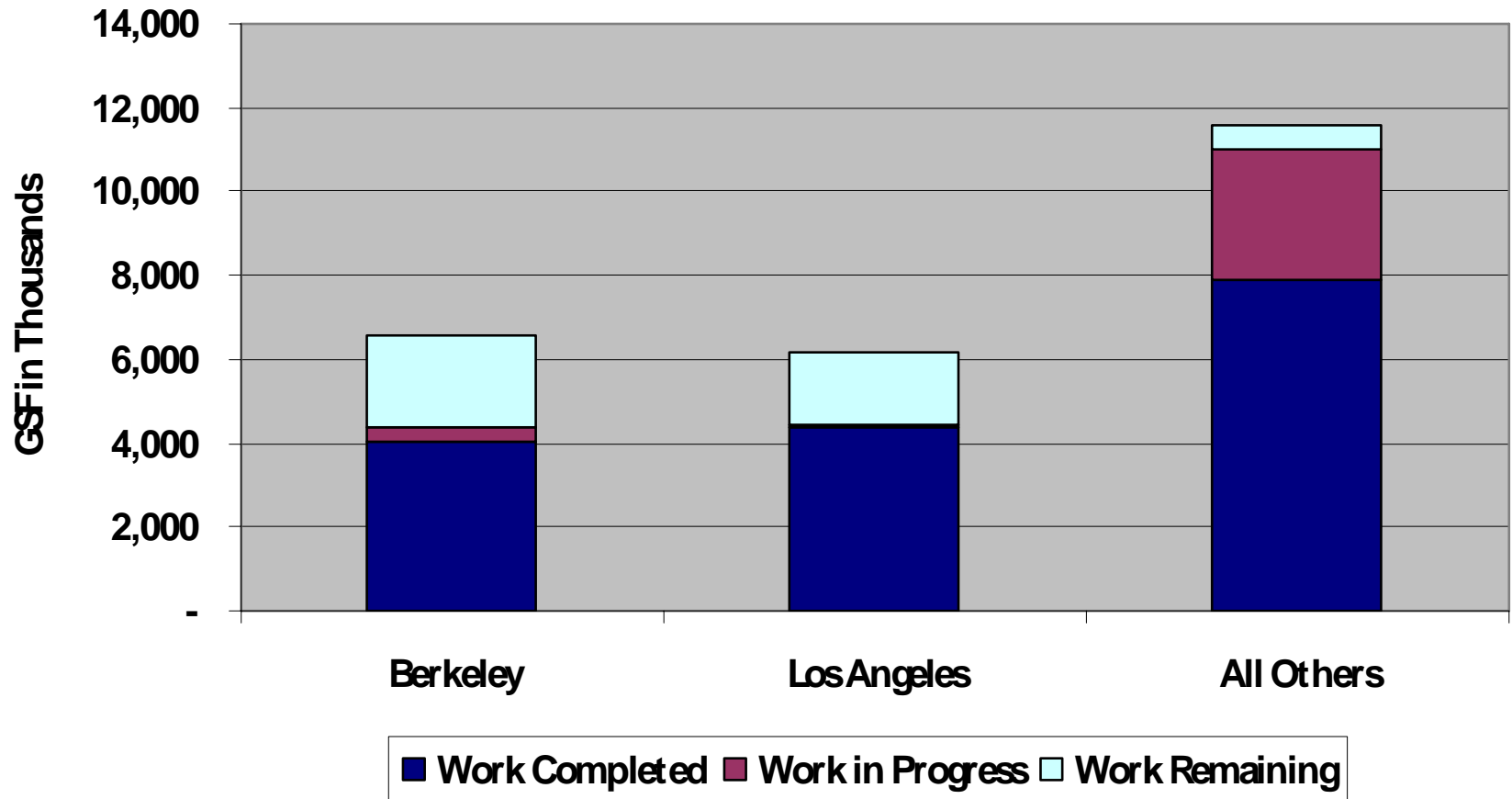
Seismic Work Remaining (4.5 million gsf)



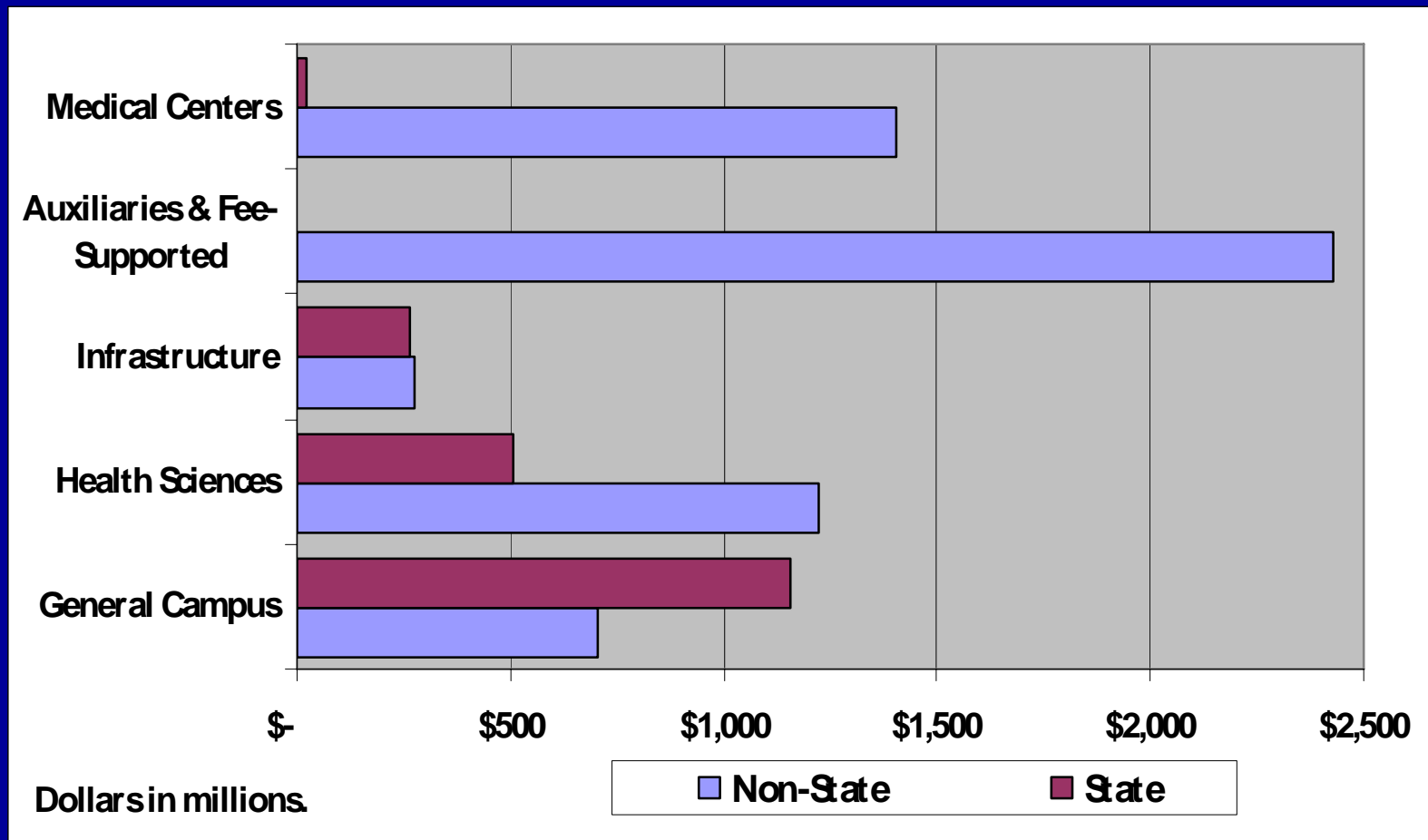
Seismic Work Remaining by Type (4.5 million gsf)



Summary of All Seismic Work



2007-2012 Five-Year Capital Program: Enrollment, Renewal, New Programs, and Seismic Projects (\$8 billion)



How can future needs be funded?

- State bond funding:
 - General Obligation & lease revenue bonds
- Campus resources:
 - Reserves (hospitals, housing, etc.)
 - External financing
 - Auxiliary revenues
 - Other (e.g., Student Fees, Opportunity Funds)

External Financing Overview

- UC's current debt is approximately \$7.3 billion.
- Primary borrowing vehicles are:
 - General Revenue Bonds
 - Limited Project Revenue Bonds (auxiliaries)
 - Medical Center Revenue Bonds
- Approximately \$2.5 billion of additional projects are approved for external financing.

Project Approval for Bond Financing

- UC accesses bond markets on a systemwide basis.
- However, each project is analyzed individually for financial feasibility.
- Each campus must demonstrate affordability and is expected to maintain certain net debt service coverage from available revenues.

Recap

- Addressing all UC capital needs is challenging.
- Capital needs exceed funding.
- Strategy has been to balance the competing priorities with available funding from all sources.
- Availability of future State resources is unknown.
- UC resources will continue to be needed for both capital and operating purposes.