

## AGENDA

### COMMITTEE ON CAMPUS PLANNING, BUILDINGS AND GROUNDS

**Meeting: 3:15 p.m., Tuesday, January 26, 2010**  
**Glenn S. Dumke Auditorium**

A. Robert Linscheid, Chair  
Margaret Fortune, Vice Chair  
Herbert L. Carter  
Carol R. Chandler  
George G. Gowgani  
William Hauck  
Peter G. Mehas  
Lou Monville

#### **Consent Items**

Approval of Minutes of Meeting of November 17, 2009

1. Amend the 2009-2010 Capital Outlay Program, Non-State Funded, *Action*

#### **Discussion Items**

2. Report on Suspended State Funded Design and Construction Projects, *Information*
3. Status Report on the 2010-2011 State Funded Capital Outlay Program—Governor's Budget, *Information*

**MINUTES OF MEETING OF  
COMMITTEE ON CAMPUS PLANNING, BUILDINGS AND GROUNDS**

**Trustees of the California State University  
Office of the Chancellor  
401 Golden Shore  
Long Beach, California**

**November 17, 2009**

**Members Present**

A. Robert Linscheid, Chair  
Margaret G. Fortune, Vice Chair  
Herbert L. Carter, Chair of the Board  
Carol R. Chandler  
George G. Gowgani  
William Hauck  
Peter G. Mehas  
Lou Monville  
Charles B. Reed, Chancellor

**Approval of Minutes**

The minutes for the September 2009 meeting were approved as submitted.

**California Environmental Quality Act Annual Report**

With the concurrence of the committee, Chair Linscheid presented agenda item 1 as a consent information item.

**California State University Seismic Safety Program Annual Report**

With the concurrence of the committee, Chair Linscheid presented agenda item 2 as a consent information item.

**Amend the 2009-2010 Capital Outlay Program, Non-State Funded**

With the concurrence of the committee, Chair Linscheid presented agenda item 3 as a consent action item.

The committee recommended approval by the Board of the proposed resolution (RCPBG 11-09-15).

**State and Non-State Funded Five-Year Capital Improvement Program 2010-2011 through 2014-2015**

Assistant Vice Chancellor Elvyra F. San Juan presented the item as included in the agenda. The prospects for a General Obligation (G.O.) Bond in 2010 to fund the program are not likely but the program is presented for approval on the chance that there may be lease revenue bond funding and thus there would be some reconsideration of our program. The state program totals \$983.3 million, with systemwide programs for minor capital outlay, capital renewal, and mitigation of off-campus impacts being the highest priorities, followed by equipment for the San Francisco Library and a number of seismic projects. The non-state program totals \$58 million, largely made up from one land acquisition for CSU Fullerton (which is partially funded from state funds as well).

The item includes a new resolution delegating authority to the Chancellor to amend the capital outlay program for 2009-2010 or 2010-2011, as necessary, to approve fast tracked facility or infrastructure projects on the chance federal stimulus grant funding through the American Recovery and Reinvestment Act (ARRA) be awarded. With the request for this specific delegation to the Chancellor, there is also a request to report back to the Board on any such approvals made as a result of federal grant funding.

Trustee Hauck confirmed that the Trustees were being asked to approve the entire state program for 2010-2011 totaling \$983.3 million, although the likelihood of funding the program was slim. Ms. San Juan replied that while the Trustees could elect to approve a lower dollar amount, staff requests approval of the entire program should the Department of Finance elect to skip some of the Trustees' priorities, approving projects not in order of CSU submittal.

The committee recommended approval by the Board of the proposed resolution (RCPBG 11-09-16).

**Approve the Campus Master Plan Revision and Amendment of the 2009-2010 Non-State Funded Capital Outlay Program for the Cavanagh Road Real Property Acquisition and Improvement for California State University, Los Angeles**

With a visual presentation, Assistant Vice Chancellor San Juan presented the item. The acquisition, which includes an office building and a parking structure, is a 0.83-acre parcel on the west side of campus. All CEQA requirements on this project have been completed and staff recommends approval.

Trustee Monville asked the age of the buildings, as it related to addressing ADA and seismic retrofit requirements. George Pardon, vice president for administration and chief financial officer for CSU Los Angeles, responded to the question indicating that the facilities were about 25 years old.

The committee recommended approval by the Board on the proposed resolution (RCPBG 11-09-17).

### **Approval of Schematic Plans**

The proposed item on the agenda requests the approval of schematic plans for San José State University—Student Health and Counseling Center. With an audio-visual presentation, Assistant Vice Chancellor San Juan presented the item. All CEQA requirements on this project have been completed and staff recommends approval.

The committee recommended approval by the Board of the proposed resolution (RCPBG 11-09-18).

Trustee Linscheid adjourned the meeting.

**COMMITTEE ON CAMPUS PLANNING, BUILDINGS AND GROUNDS**

**Amend the 2009-2010 Capital Outlay Program, Non-State Funded**

**Presentation by**

Elvyra F. San Juan  
Assistant Vice Chancellor  
Capital Planning, Design and Construction

**Summary**

This item requests approval to amend the 2009-2010 non-state capital outlay program to include the following three projects:

**1. California State University, East Bay  
Parking Structure 1**

**PWCE      \$21,647,000**

California State University, East Bay wishes to proceed with the design and construction of Parking Structure 1 (#45) on the southern portion of the main campus at Hayward at the corner of Harder Road and West Loop Road. The structure will accommodate 1,100 new parking spaces to address the increasing demand for parking and to support future campus growth. Approximately 1,400 GSF of office space will be included in the structure for parking services operations.

The campus parking permit fees were increased from \$60 to \$95 per quarter in fall 2009 to finance the design and construction of the project through the CSU Systemwide Revenue Bond program.

**2. California Maritime Academy  
ABS Lecture Hall Renovation**

**PWCE      \$1,000,000**

California Maritime Academy wishes to proceed with the renovation of the Radar Lab (#4) to provide much needed classroom and seminar space. The Radar Lab, built in 1979, previously housed the radar and bridge simulation programs prior to their move into the Simulation Center (#41) in 2008. The proposed project would remodel the existing single-story building (2,400 GSF) to construct a 48-seat tiered classroom and a smaller (30 station) seminar/conference room for the ABS (formerly The American Bureau of Shipping) School of Maritime Policy and Management. The project will provide much needed space for students in the new school's

degree programs to learn and develop an understanding of the interdisciplinary nature of maritime studies.

The project will be funded from donor funds.

**3. California State University, Sacramento  
Stadium Turf Replacement**

**PWCE            \$1,121,000**

California State University, Sacramento wishes to proceed with the design and construction of site improvements to the Hornet Stadium (#60) football field. The project is part of ongoing improvements to the Spanos Athletic Complex, which includes the recently built Broad Athletic Fieldhouse (#54), and the Recreation Wellness Center (#109), currently under construction.

The Recreation Wellness Center supplanted 60,000 square feet of athletic area previously available for the football and track teams, resulting in a greater demand on the natural grass surfaces of both the practice and game fields. This project will replace the natural turf (75,000 square feet) game field with a synthetic turf and the associated drainage system. The synthetic turf will reduce damage from practice field overuse and thus improve player safety. In addition, the all-weather surface will help meet the competitive demands of Division I football, allowing for off-season drills during inclement months. Also, the project will realize reduced maintenance and water/irrigation costs, and increased facility utilization.

The project will be funded in part from revenue generated from football contracts and gate receipts, with approximately 25 percent from donor sources.

The following resolution is presented for approval:

**RESOLVED**, By the Board of Trustees of the California State University, that the 2009-2010 non-state funded capital outlay program is amended to include: 1) \$21,647,000 for preliminary plans, working drawings, construction and equipment for the California State University, East Bay, Parking Structure 1 project; 2) \$1,000,000 for preliminary plans, working drawings, construction, and equipment for the California Maritime Academy, ABS Lecture Hall Renovation project; and \$1,121,000 for preliminary plans, working drawings, construction and equipment for the California State University, Sacramento, Stadium Turf Replacement project.

## **COMMITTEE ON CAMPUS PLANNING, BUILDINGS AND GROUNDS**

### **Report on Suspended State Funded Design and Construction Projects**

#### **Presentation By**

Elvyra F. San Juan  
Assistant Vice Chancellor  
Capital Planning, Design and Construction

#### **Summary**

This report provides an update to the state funded projects that were suspended as a result of the California State Pooled Money Investment Board recommendations of December 17, 2008 to freeze disbursements on General Obligation (GO) and Lease Revenue Bond (LRB) funded projects. Based on the state's fiscal crisis, there was an inability to sell bonds which led to a cash shortage. More than 130 CSU projects were impacted by the suspension with a balance of \$917M needed to complete the projects. A number of bond sales occurred in 2009 to enable all of our GO bond funded projects to restart, however five LRB projects remain on-hold. The remaining cash needed to complete the projects is \$306.12M.

#### **Background**

The legislature enacted Assembly Bill 55, Chapter 6, Statutes of 1987 in response to the Federal Tax Reform Act of 1986 to simplify compliance with federal tax laws and provide state departments quick access to project funds by eliminating the wait for bond sales. AB 55 authorized the Pooled Money Investment Account (PMIA) to make loans for state bond programs, and to prepay or replace existing financing. Loan amounts disbursed for eligible project expenditures are repaid from the proceeds of either a long-term state bond issue or the issuance of commercial paper notes. The ability of the state to access the market to sell bonds forms the basis for making AB 55 loans.

Historically, the state has issued GO bonds about six times per year, issued GO Commercial Paper (CP) Notes three to four times per month, and issued LRB five times per year. However, in December 2008, due to the delayed enactment of the 2008/09 state budget and the state's current fiscal crisis, the State Treasurer's Office had been unable to issue GO bonds or LRB since June 2008, and had not issued CP Notes since September 2008.

The PMIA also provides cash flow loans to the General Fund. The Department of Finance's cash flow projections showed that the state would run out of money in February 2009 absent corrective actions by the legislature and the governor. Typically, construction expenditures do not

reduce the availability of cash for General Fund operations, but with the lack of access to the bond market, AB 55 loans are competing with the same funds used for state operations.

As a result, in December 2008, the PMIB recommended specific actions to conserve cash in order to meet the operational need for higher priorities, such as schools, debt service, special funds, and others, including:

1. Direct all agencies to (1) immediately cease entering into any new construction, grant, loan or other agreements that commit the expenditure of funds pursuant to AB 55 loans; (2) immediately instruct all grant or loan recipients of GO bond funds to cease from entering into any new construction or other agreements or contracts that would be funded from GO bond funds.
2. Freeze disbursements, with the exception of accrued interest and necessary administrative costs (such as state employee salaries), of all existing AB 55 loans pending the recommendation of staff and action taken by the PMIB at the January 2009 meeting, and request staff of the State Treasurer's Public Finance Division to notify agencies and departments with AB 55 loans of the freeze.

### **Impact to CSU Projects**

On December 24, 2008, Executive Vice Chancellor Benjamin F. Quillian directed all campuses to suspend design and construction contracts and implement an orderly shutdown to the extent possible. The campuses were given approval to use Student Fee Revenues in order to promote an orderly shutdown, to protect the work completed to date and the state asset, and to help mitigate the contractor bills that would otherwise go unpaid with the state's inaction. In January 2009, we reported to the Board that the list of all state funded projects impacted by the state fiscal crisis totaled \$848M; this report updates that amount to \$917M. The increase reflects the projects approved in the 2009/10 Budget Act, and inclusion of the construction phase appropriation for one project that had not been previously approved to proceed to bid.

CSU had projects at every phase of design and construction and scheduled regular systemwide conference calls with the campuses to manage the suspension. The campuses managed the projects well and we were fortunate to have contractors work with us to mitigate the additional costs to the projects to \$6M for the system.

Two processes have been newly established based on state requirements: (1) the completion of a private activity checklist related to the use of tax-exempt bonds; and (2) the submittal of an agency (CSU) certification letter with each claim submittal to the State Controller's Office that calculates the cumulative disbursement by bond fund and bond sale.

To date, the CSU has received various cash proceeds from different bond sales (including federal Build America Bonds) to enable the restart of most of the projects, illustrated by the following summary:

<b>Capital Funding Summary</b>	<b>General Obligation Bond</b>	<b>Lease Revenue Bonds</b>	<b>Total</b>
Cash Need	\$584.41 M	\$332.56 M	\$916.97 M
Cash Received to Date	(\$502.08 M)	(\$108.77 M)	(\$610.85 M)
Outstanding Need as of December 2009	\$82.33 M	\$223.79 M	\$306.12 M

The GO bond sales were in March, April, October and November 2009, with the LRB sales in March for the Monterey Bay Library, and November 2009 for the San Francisco Joint Library. The LRB sale in November was significant in that it was the last sale needed to complete reimbursement of Student Fee Revenues.

Financing options to pursue funding for the remaining \$224M in LRB funds is reported in the Committee on Finance. The majority of the remaining GO cash need of \$82.33M will be requested on a cash flow basis in 2010/11 and 2011/12. The one project that was not funded sufficient GO cash for 2009/10 was the equipment phase of the Los Angeles Corporation Yard replacement (\$765,000).

The construction suspension has resulted in the need for the state to re-appropriate project funds to extend the period to enter into contracts and pay invoices. This has been a much slower process than normal due to the number of projects each agency is re-appropriating. These show up as capital outlay carry-forward funds in the 2010 Governor's Budget.

## **COMMITTEE ON CAMPUS PLANNING, BUILDINGS AND GROUNDS**

### **Status Report on the 2010-2011 State Funded Capital Outlay Program—Governor's Budget**

#### **Presentation By**

Elvyra F. San Juan  
Assistant Vice Chancellor  
Capital Planning, Design and Construction

#### **Status Update**

This item presents a comparison between the Trustees' 2010-2011 state funded capital outlay program request and the funding level included in the governor's budget. As expected, no projects have been proposed by the governor due to the lack of general obligation bond funding, and he is not proposing the use of lease revenue bond funds at this time. The governor's budget indicates that the Administration intends to propose funding for Higher Education facilities in the May Revise, and that it will seek to develop proposals for alternative funding sources for facilities to reduce future General Fund costs. Separately, the Department of Finance requested a list of CSU capital projects that could be ready to begin construction within one year should the state secure Federal Economic Stimulus funding. These project requests are shown on Attachment A.

#### **Background**

The California State University's proposed state funded 2010-2011 capital outlay program was presented at the November 2009 Board of Trustees' meeting. The Trustees approved the entire state funded priority list (29 projects) of \$983.3 million for the 2010-2011 capital outlay program. The Trustees were asked to approve the program even though the outlook for general obligation or lease revenue bond funding was poor.

Due to the uncertainty of the potential funding source for the 2010-2011 capital program, the Board approved resolutions directing staff to negotiate with the administration and the legislature during the budget process to maximize funding opportunities for the campuses. The Trustees also delegated authority to the Chancellor to amend the 2009-2010 and/or 2010-2011 capital program in order to support campus efforts to fast-track facility or infrastructure projects that may secure Federal Stimulus funding. Due to strict Federal implementation schedules which vary depending upon the grant and awarding Federal agency, this delegation enables the Chancellor to approve projects and allow campuses to proceed to design in a rapid manner.

### **Federal Economic Stimulus Project Request**

In December 2009, the Department of Finance (DOF) requested CSU to provide a list of capital projects that could be ready to begin construction within one year. These projects would be used by DOF as part of the state's request for Federal Economic Stimulus funding for infrastructure in 2010-2011. The list submitted to DOF totaling \$314 million for 15 CSU projects is also shown in Attachment A.

In November 2008, the CSU provided to the Administration a similar request for Federal Economic Stimulus funding, however none of these projects received Federal funds. Restrictions imposed by DOF this year limited potential stimulus projects to those that could complete design and begin construction within 12 months, and further disallowed minor capital outlay, capital renewal, or equipment replacement projects.

The list of projects for 2010-2011 includes three projects previously funded for preliminary design and working drawings; seismic and utilities infrastructure upgrades; military base conversion improvements; and the second phase of the systemwide photovoltaic implementation program.

**State Funded Capital Outlay Program 2010/11 Priority List**

Cost Estimates are at Engineering News Record California Construction Cost Index 5565 and Equipment Price Index 2928

Rank Order	Category	Campus	Project Title	FTE	Trustees' Request		Federal Economic Stimulus Request		Governor's Budget	
					Phase	Dollars	Phase	Dollars	Phase	Dollars
1	IA	Statewide	Minor Capital Outlay		PWC	100,000,000				
2	IA	Statewide	Capital Renewal		PWC	200,000,000				
3	IA	Statewide	Mitigation of Off-Campus Impacts		PWC	15,000,000				
4	IB	San Francisco	Joint Library: J. Paul Leonard Library and Sutro Library	N/A	E	5,629,000				
5	IA	East Bay	Warren Hall (Seismic) ◊	-526	PWC	63,317,000				
6	IB	Stanislaus	Science I Renovation (Seismic)	422	C	18,784,000	C	18,784,000		
7	IB	San Diego	Storm/Nasatir Halls Renovation ◊	-2,196	C	57,169,000	C	57,169,000		
8	IA	Pomona	CLA Renovation (Seismic) ◊	0	PWC	46,015,000				
9	IA	Humboldt	Library Seismic Upgrade	N/A	PWC	5,009,000	PWC	5,009,000		
10	IB	San José	Spartan Complex Renovation (Seismic)	62	PWC	56,138,000				
11	II	Fresno	Faculty Office/Lab Building	0	PWC	10,041,000	PWC	10,041,000		
12	II	Chico	Taylor II Replacement Building	751	PWC	58,451,000				
13	II	Channel Islands	West Hall	555	PWC	39,207,000				
14	IB	Sacramento	Science II, Phase 2 ◊	-1,121	PWC	102,696,000				
15	II	San Francisco	Creative Arts Building, Phase 1 ◊	240	PWC	63,719,000				
16	II	San Bernardino	Theatre Arts Addition	205	PWC	63,980,000				
17	IB	Los Angeles	Utilities Infrastructure	N/A	P	1,130,000	PWC	35,441,000		
18	IB	Fresno	Utility Infrastructure	N/A	P	962,000				
19	IB	Fullerton	Physical Services Complex Replacement	N/A	PWC	24,969,000				
20	IB	Monterey Bay	Military Base Conversion	N/A	PWC	34,834,000	PWC	35,000,000		
21	II	Long Beach	Liberal Arts Classroom Replacement Building, Phase I	1,662	P	951,000				
22	IB	Dominguez Hills	Cain Library Remodel (Seismic)	N/A	P	887,000				
23	II	Sonoma	Professional Schools Building	513	P	977,000				
24	II	Bakersfield	Humanities Complex, Phase I	475	P	663,000				
25	IB	Humboldt	IES Building Acquisition	N/A	A	3,058,000				
26	IB	Maritime	Student Services Building	N/A	P	435,000				
27	II	Northridge	Sierra Hall Annex, Phase I	1,165	PW	797,000				
28	II	San Luis Obispo	Academic Center and Library ◊	401	P	1,497,000				
29	II	Fullerton	Land Acquisition ◊	N/A	A	7,000,000				
			<b>Subtotal</b>	<b>2,608</b>		<b>\$ 983,315,000</b>		<b>\$ 161,444,000</b>		<b>\$0</b>
30	II	Sonoma	Green Music Center				CE	18,000,000		
31	IA	Humboldt	Seismic Upgrade, Theatre Arts				PWC	7,352,000		
32	IB	San Francisco	Military Base Conversion (Tiburon) - Demo/Infrastructure				PWC	2,857,000		
33	IB	Maritime	Infrastructure - Roads/Fields				PWC	2,000,000		
34	IB	Dominguez Hills	Cogeneration System				PWC	10,500,000		
35	IB	Channel Islands	Entrance Road, Phase 2 - Flood Mitigation/Fields				PWC	15,000,000		
36	IB	San Marcos	Infrastructure - Fields/Courts				PWC	5,000,000		
37	IB	Maritime	Dining Center Replacement				PWC	15,000,000		
38	IB	Systemwide	Photovoltaic Installation, Phase II				PWC	77,000,000		
			<b>Subtotal</b>	<b>0</b>		<b>\$0</b>		<b>\$ 152,709,000</b>		<b>\$0</b>
			<b>Grand Total</b>	<b>2,608</b>		<b>\$ 983,315,000</b>		<b>\$ 314,153,000</b>		<b>\$0</b>

Categories: I Existing Facilities/Infrastructure  
A. Critical Infrastructure Deficiencies  
B. Modernization/Renovation  
II New Facilities/Infrastructure

◊ This project is dependent upon state and non-state funding.

A = Acquisition P = Preliminary plans W = Working drawings C = Construction E = Equipment