

UNIVERSITY  
OF  
CALIFORNIA

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# Capital Financial Plan

2015-25



# UNIVERSITY OF CALIFORNIA, MERCED

UC Merced is the newest campus of the University of California and the nation's first doctoral research university of the 21st century. Strategically situated in the San Joaquin Valley, UC Merced advances the area's rich heritage by providing untapped potential, economic opportunity, and improvements to the quality of life via education and research. Since opening in 2005, enrollment demand has increased steadily, with more than 20,000 students (freshmen and transfers) applying for admission in Fall 2015. The objective within the *Capital Financial Plan* is to provide the facilities needed to accommodate enrollment growth from the current 6,200 students to 10,000 students by the year 2020.

## 2020 PROJECT

To meet its goal of 10,000 students by 2020 and provide the necessary space, the Merced campus has embarked on a major initiative to further develop the campus, known as the *2020 Project*. This ambitious project represents the next phase of campus development under the amended *Long Range Development Plan*.

The Project proposes expanding the existing Merced campus and consists of the comprehensive development of 900,000 assignable square feet of academic, administrative, research, recreational, student residence, and student services buildings, as well as infrastructure, outdoor recreation facilities and open space, landscaping, roadways and parking.

The *2020 Project* represents an innovative delivery model to manage long-term financial risk of capital development. The transaction structure is designed to help manage the facilities lifecycle performance and financial risk at the lowest possible cost. The finance plan for the Project has been modeled as a "hybrid" version of an availability payment Design, Build, Finance, Operate, and Maintain contract. This hybrid approach preserves the transfer of design, construction, and operations and maintenance risks, and the lifecycle costing benefits of the availability payment procurement, while bringing the overall cost of capital closer to the cost that would have been available if the University had financed the Project.

The *2020 Project* is proceeding in two phases. The request-for-qualifications phase, conducted in 2013/14, short-listed three qualified development teams who will be eligible to submit proposals for the *2020 Project*. The second phase, the Request For Proposals phase, would be released in late November 2015, and the campus would receive proposals from the short-listed teams in March 2016. The campus anticipates selecting a successful bidder in May 2016, with the President of the University to execute the Project Agreement in the summer

of 2016. Once complete, the *2020 Project* will have developed collaborative and sustainable academic, research, housing, and support facilities to accommodate 10,000 students.

## ADDITIONAL PROJECTS

The campus' recent growth trajectory has required the design and construction of several additional facilities. The new Student Services Building opened in Fall 2013 and the Science and Engineering 2 building opened in August 2014. In addition, the campus is now constructing a second classroom and office building, scheduled to open in 2016, and the Central Plant Telecommunications Reliability Upgrade project, which is critically needed in order to support campus development.

While constructed within the last 10 to 15 years, several buildings at Merced are in need of repairs and building systems replacement. This is primarily a result of over-use as well as some of the building systems having already exceeded their useful life. The campus estimates that \$20 million will be needed in the next ten years to address deferred maintenance. Lastly, the campus is beginning construction of an administrative building in Downtown Merced to consolidate staff and help reinvigorate the civic core of its host community.

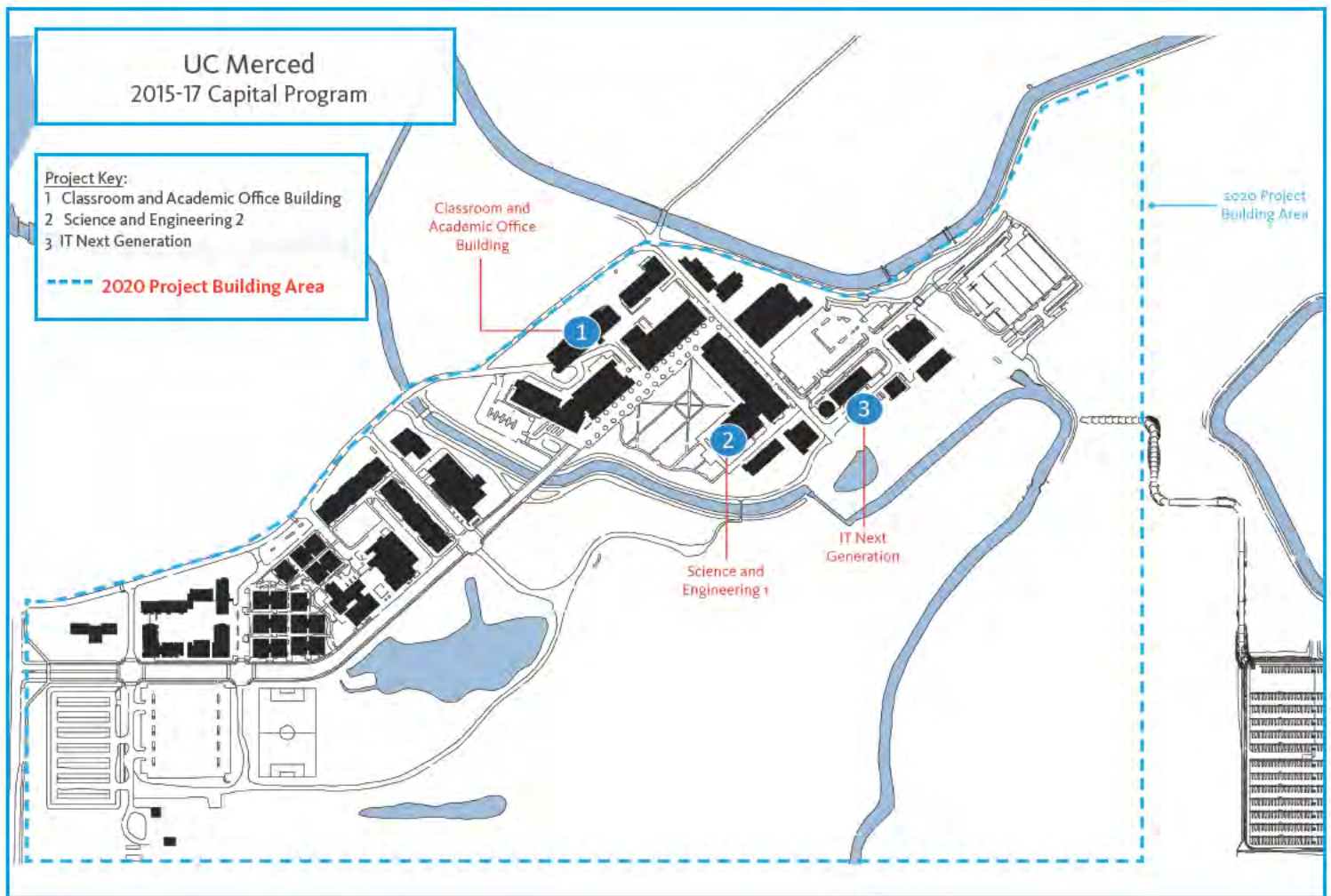
## ENVIRONMENTAL MITIGATION

The University must also comply with environmental mitigation requirements by purchasing wetland credits. In addition, the campus intends to establish a small internal revolving loan fund to provide flexibility to fund minor capital projects as they arise.



Merced Quad





#### 2015-25 Merced Capital Program (\$000's)

	Projects	Category	Pre-Funded	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	Total	2021-25
Campus	Classroom and Academic Office Building	E&G 1	49,894 SG	4,805 SG						54,699	
	IT Next Generation Network (Phase 1-4)	E&G		3,000 EF	3,000 EF	3,000 EF	1,000 EF			10,000	
	Downtown Center	E&G 3		41,998 EF 3,118 CF						45,116	
	Science and Engineering Building 1 Space Renos	E&G 1			2,000 EF					2,000	
	Capital Projects \$750K to \$5M	AUX 3		2,000 CF	2,000 CF	2,000 CF	2,000 CF	2,000 CF	2,000 CF	20,000	8,000
	<b>Campus Program Totals</b>			<b>54,921</b>	<b>7,000</b>	<b>5,000</b>	<b>3,000</b>	<b>2,000</b>	<b>2,000</b>	<b>73,921</b>	<b>8,000</b>
2020 Project	Projects	Category		2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	Total	2021-25
	2020 Project	1			600,000* EF 157,090 CF PR					757,090	
	<b>Merced 2020 Totals</b>				<b>757,090</b>					<b>757,090</b>	
Mitigation Measures	Projects	Category		2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	Total	2021-25
	Federal Environmental Mitigation	1			13,749 TBD	600 TBD				14,349	
	Transportation Improvements	1			750 TBD	200 TBD	200 TBD	200 TBD		1,350	
	<b>Total Mitigation</b>				<b>14,499</b>	<b>800</b>	<b>200</b>	<b>200</b>		<b>15,699</b>	

\*\$400,000 is proposed to be supported by State funds

E&G = Education and General    AUX = Auxiliary    MC = Medical Center    1 = Budget Update    2 = Scope Update    3 = New Project



# UNIVERSITY OF CALIFORNIA, RIVERSIDE

UC Riverside (UCR) is recognized internationally for teaching, research, and public service in an ever-widening range of fields. Over 100 undergraduate degree programs, 52 master's degree programs, and 42 Ph.D. programs are offered by UCR. More than 50 percent of undergraduate students participate in faculty-mentored research during their time on campus. With over 21,000 students, the student body is among the most diverse in the nation. Nearly 60 percent of UCR undergraduate students are the first in their families to pursue college degrees. UCR is also proud of its role in strengthening the community. The campus generates jobs, research, investments, and other economic activities that contribute more than \$1.4 billion annually to the regional economy.

Between 2000 and 2014, the undergraduate population grew by 64 percent, with faculty only increasing by 28 percent. UC Riverside has embarked on an ambitious plan to hire 300 new faculty by 2020, with the goal of improving the student/faculty ratio while at the same time increasing faculty diversity to reflect our diverse student population.

## STRATEGIC GOALS

UCR 2020: [The Path to Preeminence](#) strategic plan (UCR 2020) describes how UC Riverside is transforming itself to become a national model for academic excellence, student access, and best-in-class administration. UCR 2020 continues to serve as the framework and impetus for UCR's improvements associated with capital program development by enhancing operational efficiencies, redefining and improving space utilization, and diversifying financing and development activities. With new faculty and increased student enrollment, huge demands will be placed on existing facilities. Significant efforts are underway to renovate and construct new space that will accommodate the expected growth, manage space assignments, and improve overall space utilization.

UC Riverside is actively engaged in a Master Planning Study process that will provide a framework for the physical requirements of an evolving campus and to reinforce a sense of place. A campus Design Review Committee and Capital Projects Committee make recommendations in support of high priority capital, real estate, and space related resources and initiatives.

## CAPITAL PROGRAM PRIORITIES

**New Faculty and Research Initiatives:** To achieve the goals of UCR 2020, the campus has identified strategic areas for expansion of research. This process led to the adoption of research clusters and proposals focused on multidisciplinary

research. Areas of study span all colleges and departments, and involve investigators across campus from colleges and schools such as Bourns College of Engineering, College of Natural and Agricultural Sciences, School of Medicine, and College of Humanities, Arts and Social Sciences. Examples of research clusters include: biomedical informatics, neurosciences, systems biology, pathophysiology, and aging and life span. Accommodation of these research directions requires additional, flexible space that the campus lacks in quantity. As a result, the campus is proposing several projects in the 2015-25 *Capital Financial Plan (CFP)* that will expand research capacity, improve academic programs, and enable the campus to hire additional faculty. These projects include: Multidisciplinary Research Buildings 1 and 2, Engineering Building 3, and Fawcett Laboratory Project.

**Capital Renewal:** The UCR campus requires substantial renovation/capital renewal to extend the effective use of existing facilities and continue to provide quality space to support its mission. Approximately 40 percent of total campus space – most of which accommodates instruction and research programs – is more than 40 years old. Addressing obsolete or inadequate facilities or building systems is integral to UCR's *CFP*. Long term underfunding of basic maintenance has exacerbated the campus' renewal efforts and as a result there is a backlog of deficiencies for both State and Non-State supportable facilities. The UC Riverside campus current backlog of deferred maintenance (DM) totals approximately \$200 million. In order to significantly reduce its DM backlog, UC Riverside has created a multi-year DM program that totals \$120 million over six years.

**Campus Access:** A new campus transit center and events center are in early planning phases with the expectation that they will activate the campus by improving access and opportunity for community engagement.



Glen Mor II Housing and Parking Structure