



Capital Planning Committee

Meeting Minutes

June 13, 2017

In attendance: Tom Lollini, Keith Bowman, Alvin Alvarez, Jill Anthes, Wendy Bloom, Alan Jung, Andrew Harris, Guido Krickx, Ken Monteiro, Robert Nava, Linda Oubre, Jason Porth, Alejandro Rios, Alison Sanders, Michael Scott, Elizabeth Smith

Absent: Ann Sherman, Jennifer Summit, Dominique Cano-Stocco, Troi Carleton, Eugene Chelberg, Frank Fasano, Luoluo Hong, Debbie Masters, Nancy Robinson, Elena Stoian, Barry Jodatian

Agenda Item - Committee Charge and Membership

- Tom will modify minutes from 5.15.17 meeting
- Committee membership expanded to include Dean Krickx (CEL) and Dean Masters (JPL Library)

Note: Highlighted items are Action Items

Agenda Item - Five Year Facilities Renewal and Capital Improvement Plan

- The Five Year Capital Plan is a set of request going to CSU to access CSU funding and which part the campus must raise.
- Once piece is mostly deferred maintenance, to move campus forward to address significant or safety issues. The top projects were the Romberg Tiburon Center (RTC) and the College of Business heating upgrade.
- The rest were prioritized based on funding or combining with other projects
- New Science Building is funded, to be completed with shared funds from the Chancellor's Office and our campus:
 - New Science Bldg: Since we submitted, we had Skidmore Owens Merrill do a feasibility study, which is required before submittal. The project costs increased due to the complexity of the new labs and the rising cost of SF construction.
 - We have to raise the add'l capital needed of \$24M to proceed (which can be equipment donations or discounts, gifts-in-kind, etc.).
 - Construction begins Summer 2018
- Holloway Corridor is funded, with supporting revenue from the retail space below
 - Will add approximately 332 new beds (Target was 500 but we're demolishing some older buildings so those and will replaced). Mostly for upper division housing, as these will be apartments. Recent Housing study identifies our need for approx 1800 beds, and our waitlist now is about 2400. Study suggests we should house 40% of our students; currently we house 14%. Big part of our Campus Master Plan calls for add'l housing, which includes students/faculty/staff. With this, VP's will need to discuss housing policy to address ours housing as "transitional", not long-term, so it aids in recruitment and we can keep cycling it with new students/faculty/staff, instead of creating long-term tenancies.

Q. What happens when students are waitlisted and then when housing is available, do they take it?

A. Housing is released May 1st to the first tier; incoming full-time freshman are first priority. After that, in order to help with the SSGI, then full-time sophomores. We are also making Junior/transfers a priority as well, to help them graduate. The closer we get to the semester start with housing waitlists, the more students we lose permanently to for housing.

- Construction also begins Summer 2018

- RTC is not yet funded. CO allowed us to move \$500K surplus from the new Science Bldg project to invest in RTC seismic/safety work and allocated an add'l \$2.1M as well, so approx \$3M has been added for infrastructure – but, work is mostly in repairing or demolishing structure in critical need. Hoping to focus mostly on Bldg 49, and moving Bldg 50 into the next 2018-19 action plan, because we may need a Historic Asset Building Survey (HABS). First it has to be evaluated to see if it even meets the criteria as historic.
- HSS Replacement Building will be a 2020 funding request
 - We need to find an analysis to rationalize whether we retrofit existing building or replace it
 - Last feasibility study in 2004 was before college mergers so a new one is needed
 - Building drawings were also done in 2004 – Dean Alvarez will share with PP&D team
- We are looking at ways to monetize the Winston/old library property
- Two add'l housing projects “Lower Valley” will also be on the 2020 funding request. If feasibility studies completed before then, they might be bumped up, as most critically needed
- See handouts of Five-Year Plan. Legend:
 - C = Construction
 - PW = Preliminary design
 - W = Working drawings
- Final plan is due to CO July 17th

Q. Are there any new financial models for constructing new buildings to be funded by the state? Have we learned anything from our public/private partnership with Centennial Village that we can replicate? UCorp held it privately and then we bought it from the partnership later.

A. We need the projected cash flow to bring equity to the deal. We need a solid commitment that the campus has the funding for the rent/mortgage, until the buy-back process is completed. It has to show in our budget. You can raise the rent on the retail, which is about 40% of the project, but you can't bill students for new housing if it's not equitable, such as classrooms.

- The new CSU funding model no longer receives a separate capital allocation. We have flexibility to invest up to 12% of funding into capital investments. We have to determine what's the highest priority; maintaining academic programs, or keeping tuition down, etc.
- Another option may be that you can build add'l stories to a new building and rent those to a related private sector, and by giving them a long-term lease for those add'l floors, they pay for the floors we use. Private company will have to be related or we may have conflict of interest issues. Riverside made a similar deal with theatres/classrooms, and it was also considered for our own downtown campus (at Van Ness theater) but it didn't work out.
- The new Science Building is being built with 2/3 funding from our campus, and 1/3 CSU system funding.
- There have been rumblings among faculty at the Academic Senate about public/private partnerships, and students not happy as it seems about underprivileged students may be paying more for housing because we're using that revenue for newer buildings. They suggest it's not a good thing, because it appears we're “exploiting the students”.

- Jason suggested if we did systemwide revenue bond for housing, it has to be paid back over 30 years. However, the private sector model is paid back over 65 years, so it costs so much less for our students in the long run. We ran the analysis to show this, but **we should do a better job of publicizing this because this is actually an advantage for our students.**
 - Tim White talks about this at very interview as well.
 - It was also suggested we should encourage building projects to be front-loaded by donors – it's complicated enough to get Academic Senate and the building teams to understand each other's language, so we need to bridge at the very beginning. Anything built in SF is difficult because it's so expensive and because the CSU uses regional cost factors, and that puts a burden on us as well. **We need to set a system of communications and climate on the Academic Senate.**
 - We don't have a long tradition of fundraising and philanthropy, from a development standpoint. We need to educate our donors as well -- our challenge is some of our donors have the capacity to invest in buildings, but they're still thinking how they can fund academic programs supporting students and faculty, but getting our donors to think about our classroom and space needs is a work in progress. That's why our Foundation Board meetings will be moved to our academic buildings. The next meeting is June 22 will be held in the old Humanities building – donors need to see that. There is a tendency to show only the shiny stuff, but this will help them understand the challenges we have in terms of aging classrooms.
 - Please take a look at the attached Capital Call for 2018-2019 project list (attached). Each Dean should review the projects in their area and prioritize and make any changes needed. Back-up documentation will be sent. We will review the final list for feasibility and see if projects can be grouped together for efficiency if possible.
 - Due soon – document due to CO on July 17th, and we need to have all signed off by Provost and VP's before then.
- Q.** Funding question from Dean: Has heard from the academic side that restrictions on CEL funds are loosening up and would like to consider some of these funds for minor projects. Other CSU's have built academic buildings using CEL funds, not state money, since it's all self-support funds. Some colleges don't receive grants and this can be a good source of funding. Its use has been very restrictive last few years and heard its different now, but we haven't been advised of policy changes.
- A.** We would need VP Sherman, Dean Krickx and President Wong to create a policy directive we can use them. **Elena Stoian is the Executive Director of Budget and we can ask Elena or Ann to speak about this next meeting with regards to possible sources and uses of funds and what can be directed to capital. Maybe use of IDC are possible** such as old Garamendi funds. This will take some research. Saw recently at the BOT meeting that some campuses have built new conference centers based on income streams and it kicked funding back into the housing program rather than drain it. Our conference center tends to operate at a deficit possibly because of the way we market it.
- We currently use IDC funds for facility and expenses, but currently in deficit because we used \$500K to pay for retaining walls and repairs

Agenda Item - Campus Master Plan Update

- Academic Departments:
 - **Initial conversation with Academic Affairs Council happened May 31st and asked for feedback on academic priorities as it relates to Master Plan. Interviews to be set with Deans/Dept leaders of each college in late June / early July. Passed out form with list of preferred attendees, dates/times and contact info**
 - **Timing of request may have been misunderstood - departments are on break**

- Agreed to meet with COB and COES since their last meetings are next week.
- Will report back to Council at upcoming meeting hopefully end of July so we can prepare for next design workshop at end of July. Faculty can also respond in a written format.
- This will advise how much monetization and capital we will need to implement plan.
- Main driver for this plan is housing for students/faculty/staff and potential enrollment growth coming in the next few years, and housing greatly helps student success
- **Q.** Dean commented that faculty and staff would mostly be interested in new academic buildings to support this, to be able to come in during their break
- **A.** There are some portions that would be of interest to faculty/staff, such as project spaces, office space, etc., that only that faculty/staff are aware of so their feedback is very informative to this plan, especially as programs have changed over the years. Ex: Advising and ITS seeking larger spaces
- May take more than a few meetings to bring all people and thoughts to the table
- There are pieces that faculty/staff need to consider if thinking big about whole new buildings and shaping their vision
- A lot of this will depend on what we do downtown – what stays downtown or what comes back to our campus (ex: needing tiered classrooms and a stock trading floor)
- Non-Academic Departments
 - Design teams are meeting with various groups to continue the dialogue started during IDEAS WEEK.
- Next FutureState workshop and online open house will be held on July 25 and 26

Agenda Item – “Architecture at Zero” Design Competition

- Romberg Tiburon Center is the site for the 2017 zero energy design competition, sponsored by PG&E and AIA California Council.
 - Special emphasis on engaging students from California schools of architecture this year.
 - Info at <http://www.architectureatzero.com/> (site live soon).

Meeting Adjourned. Next meeting August 3rd, 2017.

Attachments:

- Revised Committee Charter and Membership as of June 2017
- 5-Year Plan Projects List CPDC Form
- Capital Call Responses
- Letter to Chancellor’s Office re: SF State 5-Year CIP 2018-2019