Bringing Energy And Revitalization to Sproul (B.E.A.R.S) Initiative

Do you approve a campus-based student fee that will:

1) Improve the safety, energy efficiency, and environmental sustainability of Eshleman Hall (e.g., designed to target LEED Gold status), Martin Luther King Student Union Building (MLK), and César Chávez Student Center (CC); may create space for student-activity programs including:
    - Open air Café;
    - 24-hour study space and lounge;
    - Permanent Multicultural Community Center (MCC), with lounge;
    - Conference/ meeting rooms and catering kitchen;
    - New offices and conference space for Multicultural Student Development near new MCC;
    - Relocation of the Career Center across the street from Lower Sproul;
    - Free indoor dance and performance space;
    - Graduate student lounge;
    - Transit center and commuter lounge;
    - New space for student organization offices and activities;
    - New space for ASUC student government offices;
    - New storage space for student organizations located near Upper Sproul;
    - Meditation room;
    - Cal Corps public service center;
    - Improvements to make Lower Sproul Plaza wheelchair and bicycle accessible;
    - Multipurpose, meeting and student group space;
    - Family friendly/ child accessible space; and

    Cover programmatic and mitigation costs for the project, such as relocation of services and programs, rent and other ancillary costs;

2) Begin Fall 2010 at the rate of $35 per semester for the first five years, be periodically increased thereafter beginning in FY2015-16 up to a maximum in FY2041-42 of $396 per semester (for informational purposes, this corresponds to $185 in today's dollars adjusted for inflation), and be assessed to undergraduate and graduate students, including summer session students, according to the schedule in the attached Terms and Conditions, with debt service expected to end in FY2046-47, and fees after that expected to fund only rent, building maintenance and operation costs; and

3) Return one-third of the fee to financial aid in accordance with University of California policy.

4) To view the Terms and Conditions of the B.E.A.R.S fee, please see below.

_____ Yes _____ No ____Abstain

April 2010
Bringing Energy and Revitalization to Sproul (B.E.A.R.S.) Referendum

A mandatory student fee has been proposed to raise funds to improve Lower Sproul Plaza and its environs. The assessment of the new Lower Sproul Plaza (LSP) fee would begin in Fall 2010 at an initial level of $35 per semester.

Introduction and Background:

The Lower Sproul Plaza area, the campus's signature grouping of Modernist buildings and location of the Student Union complex, has long been identified as in need of programmatic and physical redesign in order to provide undergraduate and graduate students with a high quality center for student life. Although it currently houses a mixture of student services, retail, food service, student organizations, student government, and meeting space, over the years it has become a blighted and underutilized space. In addition, Eshleman Hall, which houses the ASUC and other student organizations, has been rated seismically poor and needs significant infrastructure renewal.

In the past three years, campus and student leaders have come together to create a plan for a lively, 24/7, student-oriented campus center. A revitalized Lower Sproul Plaza is envisioned as a "campus living room" where students can engage in social, academic and recreational activities at all hours of the day and night. Students want spaces for meetings, group study, performance and practice, and for just "hanging out." They are interested in testing and modeling the most advanced ideas about sustainability—including energy, food, and water. They envision the campus center as a place that enhances and supports all aspects of student life.

Purpose of the Fee

Based on information collected from an extensive study process over the past three years, the LSP project is intended to address the key physical deficiencies identified during this Master Plan process while activating the Plaza with new facilities and services.

The project scope of work is expected to include the following components:

1. Demolition and replacement of Eshleman Hall (which may, subject to the campus naming policy, be called the Student Government Center), designed to target a LEED Gold or better sustainable building rating, including space for a Multicultural Community Center reasonably satisfactory in size and configuration to the ASUC
2. Renovation of certain interior portions of the Martin Luther King, Jr. ('MLK') Student Union, Caesar Chavez Center ('Chavez'). and Earl C. Anthony Hall ('Anthony')
3. Design and construction of an addition to the west side of MLK Student Union within the current building footprint
4. Design and construction of new steps at the northeast and northwest corners of Lower Sproul [Student Union] Plaza
5. Rain Garden
6. Creation of an addition to the south of MLK Student Union outside its current footprint and along the Bancroft Way frontage (south side of the bldg.); the project would complete the addition's shell and core, with the expectation that future retail tenants would complete the interior spaces to fit their needs; and
7. Relocation of the Career Center to be across the street from Lower Sproul Plaza;

The project is expected to create approximately 78,000 gross square feet of new space, which includes the Eshleman Hall replacement building, and renovate about 63,000 additional gross square feet of existing space.

The new and newly renovated space is intended to ultimately accommodate the following programmatic goals and activities:

- Open air café;
- 24-hour study space and lounge;
- Permanent Multicultural Community Center (MCC), with lounge and catering kitchen;
- Space for Multicultural Student Development near new MCC;
- Relocation of the Career Center across the street from Lower Sproul;
- Free indoor dance and performance space;
- Graduate student lounge;
- Transit center and commuter lounge;
- New space for student organization offices and activities;
- New space for ASUC student government offices;
- New storage space for student organizations located near Upper Sproul Plaza;
- Meditation room;
- Rain Garden to filter storm water entering into Strawberry Creek;
- Improvements to make Lower Sproul Plaza wheelchair and bicycle accessible;
- Multipurpose, meeting and student group space;
- Family friendly/ child accessible space; and
- Cal Corps Public Service Center
- Multipurpose rooms for student events and meetings, including ASUC Senate Chambers;
- Performance space opening onto Lower Sproul Plaza;
- Improvements to make Lower Sproul Plaza wheelchair and bicycle accessible, including redesign of the northeast and northwest stairs, and the creation of accessibility paths at the northeast to Upper Sproul, and at the northwest to the paths leading to Haas Pavilion;
- New state of the art, high-efficiency, smart mixed-mode mechanical systems to provide heating and ventilation for improved thermal comfort and indoor air quality (includes moving current air intake for MLK from high auto exhaust area at Bancroft Way to building rooftop);
- New retail space in ASUC facilities;
- Student-Run Business Space will be assigned pursuant to the existing CAA,

The project is estimated to cost $223 million. The Chancellor has committed to provide campus funding for 50% of the cost of components 1 through 5, enumerated above, up to a maximum of $99 million. This campus funding includes any gifts raised for the project. The balance, which includes 100% of the cost of components 4 and 5 above, is estimated at $124 million, to be paid from the Life-Safety portion of the Berkeley Campus Fee ($10 million) and from the new LSP fee ($114 million). These costs will be primarily funded from debt, and the fees will repay the debt along with the related financing charges over a number of years.

The above scope is projected to fit within the project budget based on preliminary studies. The scope will be subject to further assessment during the planning and design process and limited by construction market conditions at the time of bid. Elements of the above scope may need to be modified or eliminated in order to keep the project within budget.

In addition to paying for a portion of the project costs, the LSP fee will also fund the following:

- Annual facility operation and maintenance of the buildings (OMP) and capital renewal reserve contributions for Eshleman, MLK, MLK South and Chavez, to begin as each phase of the project is completed;
- The relocation of the Career Center and Career Center rent for at least 10 years, to begin as soon as the current occupants of targeted space have been relocated;
- Anthony Hall OMP and capital (building) renewal fund, $900,000 total, with funding expected to take place over 6-8 years; it is anticipated that this fund will be invested as a fund functioning as an endowment in order to provide on-going funding for the building's needs; and
- Hearst Gym dance/performance space, to be rented beginning in FY11 and continuing until LSP performance space is completed and available for student use. At that time, the amount of space rented in Hearst Gym will be reduced, if not eliminated, depending on student need and space availability.

The use of the LSP fee will be prioritized as follows:

1. Mandatory Return-to-financial aid;
2. Debt service payments on the construction bonds;
3. Rent payments for the Career Center and Hearst Gym as discussed above;
4. Building maintenance and operation costs, as well as capital renewal reserve allocations for Eshleman, MLK, and Chavez, beginning as LSP project space in each building is completed;
5. Anthony Hall OMP and capital renewal fund contributions totaling $900,000 by year 10 (ten);
6. Direct funding of project costs in the form of a cash ('equity') contribution during the first 8 years of the fee only; about $3 million in total is expected to be funded; and
7. Beginning in Fiscal Year ('FY') 2018-19 if fees are collected in excess of the above needs, they may be used in order to reduce fees in a future year, to fund capital and OMP costs associated with the intended 24-hour nature of the campus center, and or for such other purposes allowed by the LSP MOU,

In order to meet debt coverage requirements related to the bond financing, amounts allocated each year for OMP and capital renewal are not expected to be made available for expenditure until the following year.

Breakdown of the Fee

If approved, this referendum will provide funds for the purposes listed above, as well as mandatory financial aid to meet the University of California and campus 'return-to-aid' policies (see 'Return-to-Aid' section below).

As noted above, the total project cost is estimated at $223 million. The proposed LSP Fee will cover about $114 million of these costs plus the associated OMP, capital renewal and rental costs described above.

The fee will begin to be assessed in Fall 2010 at the rate of $35 for Fall and Spring semesters, and will be pro rated during the summer (approximately 50% of the following Fall semester fee for each session). This fee will be assessed to both undergraduate and graduate students.

The fee will increase at intervals according to the following schedule, in order to cover the phasing in of debt costs, as well as inflationary adjustments for OMP, capital renewal and rent. Below is a chart with a column describing the fee in 2010 dollars ['Fee Billed Per Semester'], and another ['Inflation Adjusted Fee'] assuming for example a constant

2.5% annual level of inflation for comparison purposes. Students will pay the amount indicated per semester in the "Fee Billed" column in a given fiscal year.

Fiscal Year	Fee Billed Per Semester	Inflation Adjusted Fee	Fiscal Year	Fee Billed Per Semester	Inflation Adjusted Fee
FY2010-11	35	35	FY2031-32	357	213
FY2011-12	35	34	FY2032-33	357	207
FY2012-13	35	33	FY2033-34	357	202
FY2013-14	35	33	FY2034-35	357	197
FY2014-15	35	32	FY2035-36	387	209
FY2015-16	150	133	FY2036-37	387	204
FY2016-17	150	129	FY2037-38	387	199
FY2017-18	261	220	FY2038-39	387	194
FY2018-19	261	214	FY2039-40	387	189
FY2019-20	261	209	FY2040-41	387	184
FY2020-21	261	204	FY2041-42	396	184
FY2021-22	261	199	FY2042-43	396	180
FY2022-23	261	194	FY2043-44	396	175
FY2023-24	306	222	FY2044-45	396	171
FY2024-25	306	217	FY2045-46	396	167
FY2025-26	306	211	FY2046-47	396	163
FY2026-27	306	206	FY2047-48	261	105
FY2027-28	306	201	FY2048-49	261	102
FY2028-29	306	196	FY2049-50	261	100
FY2029-30	357	223	FY2050-51	261	97
FY2030-31	357	218	FY2051-52	261	95

The "Fee Billed Per Semester" amounts listed above represent the maximum fees that can be assessed during the periods specified.

The project will be financed primarily with long term debt in the form of construction bonds, which are expected to be issued in phases as each component of the project nears completion, and to have an initial interest-only period after which the debt service would increase to include repayment of the principal portion of financing. The debt is expected to be retired in FY 2046-47. At that time the fee will decrease to $261 per semester for the next 5 year period, in order to cover the expected annual contributions for OMP, capital renewal and rent.

Beginning in FY 2052-53, the amount of the fee may be increased on a periodic basis, but not more frequently than every four years, with such increases based on the percentage increase in the U.S. Consumer Price Index, or other relevant measure during the equivalent past period.

Projected LSP fee revenues and uses are shown below for selected years:

REVENUES AND USES (in millions)	**FY 2019-20**	**FY 2029-30**
Fee revenue, est. (net of return-to-aid)	$13	$17
Uses of the fee revenue, est.		
Debt service	$8	$10

Rent - Career Center/Hearst Gym	$1	$1
OMP, Capital renewal reserve	$4	$6

"Return-to-Aid":

In accordance with University of California and campus policy, one-third of the fees collected from this referendum shall be returned to financial aid.

Oversight of the Fee

Lower Sproul Fee Committee

.The LSP Fee Committee (the "Fee Committee") shall be a student committee, advisory to the Chancellor, consisting of 2 undergraduate students appointed by the ASUC President, 2 graduate students appointed by the Graduate Assembly President, 1 student appointed jointly by the ASUC Senate and the Graduate Assembly, 1 student appointed by the Committee on Student Fees, a representative of the ASUC Auxiliary, and 3 campus representatives appointed by the Chancellor or his/her designee, provided that such confirmation shall not be unreasonably withheld. The Fee Committee shall be co-chaired by a student and one of the campus representatives, to be selected by the Chancellor or his/her designee. The Fee Committee shall meet at least four times a year (unless deemed otherwise by the chairs). The Fee Committee shall have responsibility, throughout the duration of the mandatory student fee, to review information on the amount and uses of the LSP Project fee revenue, and recommend any changes to future year fee levels or uses.

The Fee Committee shall, throughout the duration of the mandatory student fee, review information on the amount and uses of the LS Project fee revenue, and recommend any changes to future year fee levels or uses.

The fee per semester amounts listed above represent the maximum fees that can be assessed during the periods specified. The Fee Committee, after a thorough assessment of actual and projected fee revenues and uses, may recommend to the Chancellor that the fee be decreased below the amount indicated in any given year, or period of years. Such a decrease, if approved by the Chancellor, will only be for the year(s) specified; the fee would then revert to the amount indicated above.

Program Committee

A part of the planning and design process on the campus is a "Program Committee" that is advisory to Capital Projects and works with an executive architect selected to design the project, and other relevant campus staff and consultants. Students will be appointed by the Presidents of the ASUC and G.A., and confirmed by the Chancellor or his/her designee, to participate on the Program Committee that will make it recommendations to Capital Projects and the Chancellor.

Project Related Working Group

The Program Committee is charged with advising the campus on project scope priorities during the planning and construction of the LSP Project. The Project Related Working Group is advisory to the Program Committee. To ensure that student interests are served throughout the entire process of the LSP project, membership of the

Project Related Working Group shall at the election of the student government, consist of at least 50% plus one student (at the preference of the students). Student members will be appointed by student government and must be confirmed by the Chancellor or his/her designee, and will include both undergraduate and graduate students.

Referendum Passage

In compliance with UC and campus policies, this referendum must meet the following criteria during elections to be approved by the student body.

1. At least 20% of the student body must vote on the issue.
2. A majority of the votes cast must vote in favor of the issue.