UC Merced’s next phase gets final approval

HIGHLIGHTS
The Board of Regents approved plans on Thursday

The campus will double in size and enrollment

The method has never been used to this scale, leaders said
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UC Merced received final approval from the Board of Regents on Thursday for an expansion plan that will nearly double the capacity of the decade-old campus by 2020, which will enable enrollment to grow to 10,000 students, according to officials.

The regents voted unanimously to approve the design proposal of Plenary Properties Merced, the development partner named in June, according to school officials.

With the approval, the regents added an amendment to the budget. The developer will increase its investment in design and construction by $204 million, officials said, with less funding allocated to financing. The amount of UC financing, about $600 million, remains unchanged. The additional dollars from the developer increases the budget for design and construction to $1.3 billion, according to the university.

“This is a historic step forward for UC Merced, the UC system and the growing numbers of talented students throughout California who want and deserve a UC education,” Chancellor Dorothy Leland said in a statement. “By significantly expanding the newest UC campus, we are redoubling our commitment to the San Joaquin Valley, the fastest-growing but most underserved region of the state, while providing critically needed access to many more qualified students throughout California.”

The developer is to be paid in installments over the 39-year term of the contract, officials said, subject to the availability and maintenance of the facilities. When the contract ends, maintenance will be handed back to UC Merced, which owns the buildings and land at all times.

The unusual method the campus is using for development puts the campus into a relationship with a single entity through a public-private partnership, which officials say has never been used on such a large project. University leaders announced last month the billion dollar contract had been awarded to a consortium led by the Plenary Group, an international developer and investor.

The youngest campus in the University of California system opened in 2005 as the first new UC school in 40 years and the first in the San Joaquin Valley. Enrollment has grown from that first year’s 875 students to 6,700 today, and the number of applications has grown at double the rate of the system-wide average, according to numbers from the school.

About 99 percent of UC Merced undergraduates attended California high schools, according to school leaders.
The approval clears the way for a formal project agreement with the development partner, according to school officials, and groundbreaking is scheduled for October. The project will add about 1.2 million square feet of teaching, research, residential and other facilities to the existing campus, school leaders have said.

Some of the buildings are expected to done by 2018, and the rest by 2020.

The final approval comes at a time when the system has made a commitment to increase the enrollment of California students, according to UC system President Janet Napolitano.

“This project represents a major step forward for a trailblazing campus that will build on its early record of excellence to lead the way for universities across the nation as we all strive to teach, conduct research and serve the public in the most dynamic, efficient manner possible,” she said in a statement.

UC Merced has the highest percentage of first-generation college students (67 percent) and low-income students (61 percent) in the UC system. And, 75 percent of its students come from underrepresented groups.

The project is expected to create more than 10,000 construction jobs in the San Joaquin Valley (more than 12,000 statewide) during the four-year construction period, officials said. The one-time economic benefit to the region will be an estimated $1.9 billion ($2.4 billion statewide).

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