ULI Healthcare and Life Sciences Council

REAL ESTATE STRATEGIES FOR DRIVING ACADEMIC & CORPORATE COLLABORATION IN LIFE SCIENCE RESEARCH

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UCSF OVERVIEW

- 25,000 employees and 3,000 students
- Second largest employer in San Francisco
- UCSF’s annual budget is over $3B
- UC’s only graduate level campus dedicated to medical education
- Top ranked Medical Center and Medical Schools
- Ranked #1 of all public institutions receiving NIH grants
- UCSF is affiliated with San Francisco General Hospital, Veteran Affairs Medical Center, and the J. David Gladstone Institutes
UCSF OVERVIEW

• UCSF occupies over 7M square feet of space at multiple campus sites

• In 4 years, UC state appropriation has fallen by $900 million or 27%

• Facing urgency to find other revenue sources through philanthropy, clinical services, and partnerships with industry and foundations
UCSF’s Development

- UCSF’s top priorities include promoting diversity, being an integral part of the community, and forging successful partnerships in San Francisco and beyond.

- UCSF’s capital program calls for the development of over 4.6 million GSF on approximately 60 acres.

- UCSF has spent over $2.3B for this program.
Affiliated Colleges of UC, 1900
Parnassus Heights “Campus Shelf”
Parnassus Heights Growth

- Growth of Teaching and Research Programs
- Expansion of Campus Boundaries
- Major Building Boom and Litigation (1976)
- 1976 Regents Resolution limited growth at Parnassus
- Scattered to the four winds via decentralization (80’s-90’s)
Campus and Community Collaboration 1996

- Planning Committee for the 21st Century (UCSF Faculty and Administration)
- University Advisory Group (UCSF Campus Community)
- Community Advisory Group (Neighborhood and Community Representatives)
- Jointly adopted Long Range Development Plan’s Goals & Objectives
  - Real Estate Strategies to:
    1) Reinvest in Existing Sites
    2) Establish a major new Site
Selection of Mission Bay for 2\textsuperscript{nd} major Campus site

- Prime location within San Francisco
- Initial gift of 43 acres by Catellus
- Sufficient area to meet space needs
- Proximity to land for private-sector life sciences companies
- Proximity to new housing
- Proximity to freeways and local and regional public transit
Mission Bay Public Collaboration

- UCSF Community Advisory Group (CAG)
- Mission Bay CAG Action Team
- Mission Bay Citizens Advisory Committee
- Neighborhood Meetings
- Quarterly Construction Meetings
- Community Construction Workforce Initiative
Lease space growth provided opportunity for collaboration with private sector for project delivery:

- Lack of on-campus space resulted in lost grants and revenue
- Leased 80,000 sq ft near Mission Bay
- Radiology research laboratories, outpatient imaging services, clinical research, and office
- Research explores new noninvasive imaging tools, gain insights into disease processes, and develops new therapies
PPP delivery achieved:

- Lease delivery schedule was faster than UC construction for tenant improvements, 12 months vs 18 months
- Lease construction costs were substantially lower for labs and office space
- Costs spread over time instead of up front
- Radiology moved from 6th to 2nd nationwide in NIH research funding after facility opened
Lease Case Study: Radiology
Waiting Room
Lease Case Study: Radiology

MRI
UCSF Mission Bay Program

- The UCSF program calls for approx 4.6 million gross square feet of development for instruction, research administration, housing, hospital space
- Spent well over $1B to date for research buildings, community center, housing, parking
- Women’s and Children’s 290 bed hospital under construction with completion in 2014
- Starting construction in early 2013 for a faculty office and Global Health Sciences building to be complete in 2014
Sandler Neurosciences Center

- $200 million project; 237,000 sq ft
- Public Private Partnership delivery model
- Utilized a ground lease lease back model
- Accessed tax exempt financing via 501(c)3
- Allowed project to be initiated without capital funding
- Savings in campus overhead
- Control of change orders
- Ability to negotiate throughout project
- Select the right team/partners
Neurosciences Building
Developer: Edgemoor/McCarthey Cook
Architect: Skidmore, Owings and Merrill
Contractor: Clark Construction
Prior Industrial Site
Summary-Areas of Focus

• Focus on how to best manage one of its largest assets – real estate
• Develop new models for future academia/industry partnerships
• New ways of delivering clinical care through centers for innovation
• Establishment of core research lab services
• Establishment of Chancellor advisory board