

## **Special Senate Committee on the University Center Report, May 30, 2000**

The Academic Senate's Special Committee on the University Center is pleased to submit this report, which describes its activities toward the establishment of short and long-term functions for a University Center/Club. This report includes brief presentations of the University Center Development, University Center/Club goals and objectives, the history of the University Club development, short-term planning by the present committee, long-term planning, financial viability of the University Center, the campus survey, survey of other UC faculty clubs, conference center and child care facilities, and unfinished tasks. This is a summary version of the report, and to save paper the more than 50 pages of attachments are only published on the web. The complete report including the present summary can be found through links at <http://senate.ucsc.edu>

### **The University Center Development**

Through the results of a campuswide survey of faculty and staff, a significant proportion of UCSC faculty, staff and alumni expressed a strong interest in having a “place to go on campus”. By this they meant a facility that would serve their needs of meeting with campus colleagues, providing a sense of campuswide community, fostering campus morale and improving organizational communication in a campus setting that is physically fragmented and organizationally dispersed. The establishment of a University Center is envisioned as a facility for the University Club where faculty, staff and alumni will be able to meet socially in a central campus location.

Also, despite the unique attractiveness of the UCSC campus location and the active role of the faculty in the profession at large, the University of California, Santa Cruz is currently extremely limited in its ability to hold scholarly meetings. The construction of the University Center will also provide a venue in which to hold scholarly meetings, summer programs and institutes, as well as to provide space for special events and space to rent to the outside community. It will provide for multiple meeting rooms that can be accessed and reserved by Club members, academic divisions, and other campus units during the school year. It will provide a place where UC Santa Cruz Foundation and Alumni Foundation Board Members and members of Friends (support groups) can hold conferences, meetings and meet socially among themselves or the faculty, staff and alumni. With these issues in mind, the University Center developed the following University Center/Club Goals and Objectives.

### **University Center/Club Goals and Objectives**

- To create a place where University Club members (Faculty, Staff, Alumni and their friends) will gather for conversation and meals, as well as to conduct University business, informally.
- To create a Center with space that will accommodate scholarly and professional meetings, small conferences, summer programs, special events and rentals to the outside community.

- To create a place that is more upscale than existing campus conference and dining facilities.
- To create a place that is near the center of campus.
- To provide space for academic and administrative meeting rooms.
- To provide a flexible and multifaceted food service program for private functions, catered events, banquets or receptions.
- To create a place to host campus social gatherings.
- To provide variety and flexibility of use for each area or room.
- To create enticements to enhance the use of the University Center by University Club members, other Faculty, Staff, Alumni, campus divisions and units, conference attendees, etc.
- To provide a comfortable, non-academic environment where people will feel at ease.
- To pay for the facility construction costs through a combination of reserve funds, donor gifts, rental income and operating profits.
- To pay for University Club operational costs without annual deficits.

### **History of University Club Development**

**1983 through 1988** The first University Club Committee chaired by Bill Shipley (Katherine Beiers in Fall 1986) was established to develop a University Club facility. This committee was almost ready to build a University Club facility and had gathered sufficient funding, determined a site, developed plans, drafted bylaws and a constitution, and contracted for the development of an operating feasibility analysis. This project was put on hold in 1988. The site proposed for the University Club was next to the Student Center on the North edge of the Great Meadow. This site was abandoned after the 1988 “land use” plan guidelines identified that the north edge of the Great Meadow should be defined by the Music Facility and Student Center. The financial feasibility analysis reflected possible operating deficits and the Chancellor, who was retiring at that time, did not want to agree to the campus covering an ongoing deficit (operational of the facility) that the new Chancellor would have to assume.

**1996-97** The second University Club Committee chaired by George Brown met and evaluated the feasibility of joining graduate students in a joint venture called the University Center to be included as part of the “Core East Plan.” The committee, because of timeline limitations and lack of sufficient funding, abandoned this idea. The graduate students went on to pass a fee referendum to pay the debt service on the Graduate Commons, which is currently under construction in the Core East project. The University Club Committee also evaluated the use of the Student Center Cafe’ space, but due to lack of momentum, concerns by Student Affairs, and costs, the project was discontinued in the spring of 1997.

**1998-2000** The third University Club Committee was established when the Academic Senate reconvened the committee, chaired by Roger Anderson, in March of 1998. This committee evaluated short and long-term possibilities of developing a University Center/Club, conducted a campuswide survey of all faculty and staff, conducted a survey

of other UC Faculty/University Clubs, and evaluated the need for conference facilities on the campus. The committee developed plans for Interim Club Luncheons as a short-term solution, and evaluated the development of a new facility as a long-term solution.

The attached Chronology (p. 11, found on the Web site) contains more detail about the activities of the Committees.

### **Short-term Planning**

Soon after the 1998 Committee was convened, we began short-term planning for University Club functions. We wanted to be able to offer regular luncheons at an attractive location on the campus, and during the planning for such events we considered many possible options including use of a Provost's house, the student lounge at Stevenson, the Student Center, tents, the arboretum meeting room, and the University House. We decided that the only feasible location was the University House, and we quickly accepted when the Chancellor agreed to allow the luncheons at her home.

Hence as a short-term solution to offering faculty and staff a "place to go on campus" to meet with friends and colleagues and share a meal, the University Club began offering Interim Luncheons during 1998-99. Seven luncheons were held at the University House and were catered by Sedexho Marriott. Attendance started slowly at the first luncheon held in October 1998, but as the year continued, the luncheons have become a successful endeavor, with potential attendees turned away for lack of room.

With the success of the 1998-99 luncheon program, the Committee has continued to offer the luncheons during the 1999-2000 academic year. We plan to continue the luncheons during the 2000-01 year as well. The luncheons generate awareness about the social aspects that the Club will provide to the Faculty and Staff and will assist in building a membership to the Club for the opening of the University Center/Club in June 2002.

### **Long-term Planning**

#### **Site selection**

Initially it appeared that planning for a permanent University Club would be more difficult than the short-term options. We considered building a facility near the Arboretum and as an expanded University House. We also briefly considered a purchase of the existing Student Center. However the Faculty/Staff survey that we conducted during the Spring of 1998 indicated that most people who favor the University Club wanted a central campus location. The difficulty with a central location is that there are very few or no possible building sites that are not already planned for academic or residence halls. Also the construction cost of a stand alone Club seemed insurmountable. However the Committee was presented with a potential construction site for the development of a long-term solution for the University Center/Club, as the top floor of the Colleges 9 & 10 Dining Facility, which was in the planning stages and is to be constructed beginning in the Summer 2000. The Committee followed up on this potential site because of many of the positive aspects of the proposed project. The physical location of the project is centrally located on campus, construction costs would be

reduced for site development and kitchen construction by piggy-backing onto the Colleges 9 & 10 Dining Commons project, the project was in the design phase and the committee would have input into its development, and the construction of the facility would be completed by June 2002. There were also advantages in that this would be part of a Housing financed project which decreases the cost of the loan, and the University Club could share debt service expense with the campus Conference Office.

The Committee approved the preliminary development of the College 9 & 10 site and discussed the proposal at a joint meeting of the Senate Advisory Committee and the Chancellor's Cabinet in June 1998. The Chancellor approved use of University Club reserve funds for preliminary project design for the College 9 & 10 site in September 1998. The project was approved by the campus Space Committee in October 1998 and by the Board of Regents in February 1999.

The Committee does not unanimously support this location, mainly because there is little or no parking at the Colleges 8 & 10 site. The site is also considered too remote from faculty whose offices are in the West campus colleges. However a clear majority of the Committee believes that this site is the best that we will find and that the convenient location for pedestrian access, possible attendant parking, 24 hour enforcement of parking regulations in the vicinity, construction of the Science Hill parking structure, and convenient shuttle service will mitigate the transportation issues. Some Committee members would prefer a site that is not on the top of a student dining hall. But most of the Committee believes that the separate entrance and the fact that the University Center is on the top floor on the Dining Commons will sufficiently provide for a distinctive atmosphere.

### **Scope of Services and Facilities of the University Center**

The University Center facility at UCSC will include the following: a large conference/dining room which will be a central gathering place for meals and receptions; an adjacent room to the large dining room for overflow dining or smaller meetings; a conference room which can be divided into three separate rooms which will serve as conference rooms; and private rooms for special functions and as luncheon overflow rooms from the main dining room. The plan also includes an outdoor deck for dining and receptions in good weather; a lounge and bar with a fireplace as a place to relax or to conduct business; and a lobby to greet guests or to gather before conferences or luncheons. We also plan a comprehensive kitchen which we hope will have a wood fired oven. The facility will have a separate entrance and elevator that will be located away from the entrances of the College 9 & 10 Dining Commons. The facility is planned to have internet wiring and utility connections for audio-video equipment.

The University Center will be the home of the University Club as well as a Center for other groups using the private dining rooms and meeting/seminar rooms. It will be utilized as a meeting place, a social gathering place and a site for the campus or the public to gather for socializing or for campus business. It will have a distinctive, more upscale ambiance and menu than the other cafes on the Santa Cruz campus.

The campus Housing Services Conference Office will manage the University Center facility. The University Club will elect a Board of Directors that will work in consultation with the Conference Office for services related to the Club's operations in the University Center.

Although a final decision must be made by the Directors of the University Club, it is likely that Sodexo Marriott (campus dining service provider) will initially provide the University Center food service, for both the Club activities and outside catering. However there are other possibilities for operation of the food service at the University Club. The following meals are planned to be offered: University Club daily buffet style lunches; full service lunches and dinners in a private dining room upon reservation; a one day per week specialty University Club dinner during the academic year; potential for dinner service upon reservation; and special weekend catered events, such as receptions, parties and banquets. Breakfast will be offered daily during the academic year. The University Center/Club will be operated in a businesslike manner, with prices for meals sufficient to cover operating expenses.

The facility will provide for multiple meeting rooms that can be accessed and reserved by Club members, academic divisions, and other campus units during the school year. It will provide a place where UC Santa Cruz Foundation and Alumni Association Board Members and members of friends (support groups) can hold conferences, meetings and meet socially among themselves or the faculty, staff and alumni.

The Conference Office will have access to renting the facility when it is not being used by the University Club (weekends, some evenings and during the summer).

### **Location and Size of the University Center**

The University Center will be located on the third floor of the College Nine and Ten Dining Commons. The project is located north of McLaughlin Drive in the areas of Social Sciences I and II. This attractive site is located near the center of campus, and is well served by campus shuttles. The facility has a separate entrance from the Dining Commons and has stairs and an elevator that will take members to the University Center Lobby on the third floor of the building.

By locating the University Center in the College Dining Commons, construction and operating costs of the Center will be reduced by sharing delivery, storage and some kitchen space with the colleges, and by the sharing or elimination of site development costs. The center will provide 9,750 gross square feet (7,305 assignable square feet) which will take up most of the facility's third floor site and will be the only facility on that level. The following table lists the important rooms and their sizes.

|                                    |       |
|------------------------------------|-------|
| Construction plans include:        | ASF   |
| Faculty Dining Room (Large)        | 2,250 |
| Meeting Rooms (3 Small)            | 900   |
| Meeting/Private Dining Room        | 1,250 |
| Outdoor Dining                     | 1,000 |
| Lounge/Bar (w/fireplace)           | 730   |
| Lobby                              | 475   |
| Dry Storage                        | 100   |
| Liquor Storage                     | 60    |
| Office                             | 42    |
| Service Vestibule/Kitchen          | 498   |
| Total Assignable Square Feet (ASF) | 7,305 |

The attached Floor Plan (p. 57, found on the Web site) contains more detail about the Facility.

### **Financial Viability of the University Center**

#### **Construction**

The University Center Project will cost approximately \$2,500,000 in planning, design, construction and equipment costs. The funding for the project includes University Center/Club reserves of \$1,012,000, which were accumulated in prior years to construct such a facility; a Housing Office construction loan of \$1,086,000, that will have to be repaid by the University Center/Club; and by \$400,000 in gift funds. An annual debt service payment of \$86,000 is required of the University Center/Club to repay the Housing loan. The Business Plan indicates that a campus subsidy as large as \$42,000 per year will be required during the first five years of operation.

When the construction project was in the initial phases, the University Advancement Office was considering the University Center in its fund-raising program in 1998-99, and they projected estimated gift revenues of \$200,000 to \$400,000 for the project. As this gift funding will need to be in place by the time the project goes out to bid (projected as January 2000), the Chancellor has agreed to advance a loan up to \$400,000 from campus central funds to be used as bridge funding while gifts are being raised.

It is projected that the annual debt service payment of \$86,000 will be covered by the University Center/Club room rental revenues generated during the academic year (projected at \$24,700), the Housing Conference Program room rental revenues collected during the summer (projected at \$22,400), and a subsidy of campus central funds of \$42,000 for the first five years of the debt service. The income from operations of the University Club has not been included as part of the Housing loan repayment in the initial funding proposal because it is uncertain what annual profit might be generated by the Club. The debt service commitment must be from a permanent and guaranteed source of income.

The Chancellor has agreed to provide central funding of up to \$42,000 per year for five years if the income generated from room rentals and Club operations is not sufficient to cover the required debt service. This subsidy will not be used if the net income from the Center/Club is sufficient to cover this amount. It is anticipated that after five years, through a combination of revenues generated from Conference Office room rentals of the facility and University Club operating revenues, that the facility will generate sufficient income to cover the total annual debt service anticipated at \$86,000, and provide for University Club operations that break-even.

### **Operations**

The Campus Conference Office will manage the University Center. The University Club Board of Directors will manage the University Club. Initially, the University Center space will be used by the University Club on a weekday basis during the school year and will work in consultation with the Conference Office for services related to the Club's operations.

The Conference Office and the University Club will negotiate mutually beneficial room rental rates for events sponsored by University Club members. The operational costs and the debt service expenses of the University Center/Club are a joint responsibility of the Club and the Conference Office. Net proceeds from both the Club and the Conference Office revenue from the facility will be used for the Center/Club expenses. However, both units are allowed to set aside reasonable budgets for future upgrades of the facilities.

Early projections of operational income and expenses for the University Club operations are attached. In summary they include a projected total of \$515,680 in annual income from food service sales and club membership fees, room rentals and other miscellaneous income. Expenses are projected at \$495,600 with 38% of sales for food service provider, and other fixed and variable expenses associated with operating this Club. A net profit of \$20,000 has been projected for the early years of operation and when this increases to \$42,000, a subsidy from campus central funds will no longer be required.

The attached Business Plan (p. 49, found on the Web site) contains more detail about the financial aspects of the Center/Club.

### **Campus Survey**

The University Club Committee developed and distributed a survey to all UCSC Faculty and Staff in May 1998, which was returned on June 5, 1998. The purpose of the survey was to poll the campus to evaluate if faculty and staff would like to have a Faculty and Staff Center at UCSC. Questions in the survey were also focused on what faculty and staff would like included in a Faculty and Staff Center; what might be offered as restaurant services in the Faculty and Staff Center; the amenities or incentives that might be of interest to faculty or staff contemplating becoming a member of such a facility; hours of operation desired of the facility; location of the facility; and any other issues that faculty and staff would like to make.

Of the 3,160 surveys sent out to faculty and staff, 1,052 or 33% were returned. Of the 1,052 surveys returned, 706 (67%) were in favor of the basic idea of such a center; 195 (19%) were against such a center; and 150 (14%) were undecided. Of the academic responses (all faculty) 209 FTE (30%) responded in favor. Tenured faculty responses of 150 FTE (49%) responded in favor. Of the staff responses (all staff) 502 FTE (32%) responded in favor.

The results of the survey indicated that a majority of respondents would be willing to pay reasonable dues (33% responded in the affirmative with 13% in the negative and 54% responding that the amount would make a difference). Some of the yes votes also voted that amount makes a difference.

The primary uses of the Club by survey respondents include luncheons and meeting with colleagues. When asked about current luncheon patterns, the majority of respondents currently never purchase lunch on-campus or off-campus (many cited that it took too long to go off-campus and that there is lack of adequate dining facilities on-campus). The average amount spent by the respondents that do purchase lunch noted that the average is \$6.50 (the range was from \$3.00 to \$20.00). The majority of the respondents noted that membership should be open to Faculty and Staff and Community and Alumni. The responses as to what should be the most important elements in a University Club include a restaurant, a lounge for socializing and meeting rooms. The responses about what the most important offerings that restaurant services in the University Club should include are an atmosphere more attractive than existing campus dining facilities, buffet lunch service, alcohol served, and the ability to cater meals. Incentives that might interest the respondents to becoming members of a University Club include membership fees based on position level, and discounts offered on various Club offerings and events. Survey respondents voted that the operating hours of the facility should include every weekday, evenings, open year-round and reserveable for special events. The majority of respondents voted that the facility should be located near the center of campus. There were also comments about offering overnight accommodations and child-care. These could not be included in the current University Center/Club due to facility construction costs and unknown operating revenues and expenses.

The attached Survey Summary and lists of faculty/staff comments (p. 13, found on the Web site) contains complete detail about the Survey.

### **Experience of Other UC Faculty Clubs**

The University Club Committee conducted a survey of other UC University/Faculty Clubs. This survey was completed in order to understand how the Clubs were operated, what the membership criteria and dues are, what types of facilities and ambiance were offered, what types of food and activities they offered, and results of their financial operations.

Survey results show that each of the other UC campuses has a University Club. The most active groups at these clubs appear to be the Faculty and Administration with one UC stating Retirees. All but one charges initial membership fees (varies from \$25 to \$200), and all charge monthly dues (\$12 to \$30). Only one club is vendor operated, with the

others hiring their own staffs. Most facilities have dining rooms, meeting rooms and a lounge. None have computer rooms or child care facilities. Only two offer overnight accommodations (Berkeley and Santa Barbara). Most facilities are located centrally on campus and the design or ambiance ranges from formal to casual at all of the campuses. Most campuses serve lunch, three serve breakfast, and five campuses serve dinners. Hours of operations are weekdays, Irvine on weekends, and most are open year round (including summer). The facilities are reserveable and all offer catering which appears to be the major income generator for the clubs. Four of the clubs break-even (one barely), two of the clubs do not, and one makes a profit.

The attached report (p. 45, found on the Web site) contains more detail about our research on the operations of the Faculty Clubs on other UC campuses.

### **Conference Center and Child Care Facilities**

The Committee established that there is a significant need for a Conference Center on the UCSC Campus, and a subcommittee report is attached (p. 58, found on the Web site). We believe that the proposed University Center/Club will provide some of the required conference facilities especially with the availability of the apartments at Colleges 9 and 10. However the campus should plan for a larger facility with short term lodging for larger conferences.

The faculty/staff survey indicated that there is a critical need for additional child care facilities on the UCSC campus. Although we are unable to include such facilities at the University Center/Club, we urge the campus to work aggressively to build additional child care centers in the very near future.

### **Unfinished Tasks**

#### **Memberships**

The University Club Committee has not finished the development of By-Laws and Articles of Incorporation. Also classes of membership including corporate memberships, duties of the Board of Directors, and membership incentives must be developed. A membership drive must be organized.

#### **Operation**

The ongoing management and food service operation of the club also needs more planning and analysis. Transportation issues must also be carefully monitored, and planning must consider issues such as facilitating access for members of the greater Santa Cruz community. Financial reporting must be implemented to provide timely information about the financial condition of the University Center/Club. Also a memorandum of understanding must be completed between the Center/Club and the campus administration.

**Fund-raising**

As stated earlier in this document, fund raising is an important financial element in the financing of the University Center/Club. The Chancellor has stated that the prospects for raising funding to support the University Center are very good. She stated that this would be especially true if a few faculty and staff members are willing to lead a fund-raising campaign that seeks donations from other UCSC employees. In addition to support from the faculty, the Alumni Association and some of the Friends Groups may be willing to take an active role in securing funding for specific areas of the Center. The Chancellor, Executive Vice Chancellor and the Chair of the University Club Committee have already pledged gifts in support of this enterprise. An unresolved fund raising issue is the form of recognition for faculty and staff who pledge gifts before the Club opens in 2002.

The University Center/Club Committee has started to develop a capital campaign with University Advancement. A significant part of this capital campaign is "naming" opportunity. The Alumni Council decided in October 1999 to "name" the large conference room for \$50,000. Much more work is needed to properly define and implement fund raising.

Marketing plans to develop membership to the Club need much more work.

Respectfully submitted,

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Attachments: University Center Chronology (page 11)  
Faculty/Staff Survey results (page 13)  
Other UC campus Faculty Club Survey results (page 45)  
Preliminary University Center/Club Business Plan (page 49)  
Floor Plan for University Center/Club (page 57)  
Need for University Conference Center (page 58)