



Michael V. Drake, MD
President

August 23, 2023

Office of the President
1111 Franklin St.
Oakland, CA 94607

CHANCELLOR – UC MERCED

universityofcalifornia.edu

Delegation of Authority – Authorization to approve and execute an agreement with the City of Merced regarding annexation of the Merced campus

In July 2023, the Regents authorized the President to approve and execute, after consultation with the General Counsel, an agreement with the City of Merced (City) memorializing the terms pursuant to which the University will support the City’s application to annex the entire acreage of the Merced campus (1,026 acres), as follows:

CAMPUSES

- Berkeley
- Davis
- Irvine
- UCLA
- Merced
- Riverside
- San Diego
- San Francisco
- Santa Barbara
- Santa Cruz

MEDICAL CENTERS

- Davis
- Irvine
- UCLA
- San Diego
- San Francisco

NATIONAL LABORATORIES

- Lawrence Berkeley
- Lawrence Livermore
- Los Alamos

DIVISION OF AGRICULTURE AND NATURAL RESOURCES

1. Permit the Merced campus to support annexation of the entire acreage of the Merced campus into the City for the purpose of providing City services, provided that any conditions proposed by the Merced Local Agency Formation Commission (Merced LAFCO) in its draft resolution are not inconsistent with the following provisions:
 - a. The entirety of the UC Merced campus as identified in the 2020 Long Range Development Plan (LRDP), a total area of 1,026 acres, will be annexed into the City of Merced.
 - b. The City will provide water and sewer services to the entire 1,026-acre campus. The City’s service obligation will be tied to the campus population and development as described in the UC Merced LRDP, as amended, or updated by the Regents over time (i.e., upon annexation, the City’s service obligation shall increase to 15,000 students, the enrollment projection in the 2020 LRDP and shall further increase if and when this enrollment projection is updated).
 - c. There shall be no cap or limitation on campus enrollment, or the amount and type of campus development and uses (i.e., total building space, student housing, parking, retail/restaurant space, and incubator space).
 - d. The University retains its full powers of organization and government set forth in Article IX, Section 9, of the California Constitution.
2. Monthly water and sewer service use charges shall accurately reflect the City’s cost to provide service to the UC Merced campus, through rates based on the applicable user category as defined in the City of Merced Municipal Code (MMC), consistent with rates paid by other users of the same category.
3. The new agreement will maintain the current “per student” charge structure for water and sewer facilities charges set forth in the Services Agreement, both up to and beyond enrollment of 10,000 students. Any future

capacity/connection charges for additional campus development will be negotiated by the parties, subject to the limitations on charges for capital improvements set forth in Government Code Section 54999.3.

4. The City will extend by 10 years, through 2043, the reimbursement period for campus-provided water and sewer infrastructure (from developers who connect to the campus-funded water and sewer lines in the future) in the 2003 Permanent Financing Capital Facilities Fee Agreement.
5. The City will modify the 2016 Transportation Agreement to clarify that the campus shall only contribute its proportionate share of the cost to widen Bellevue Road.

Effective immediately, as Chancellor of the Merced campus, you are authorized to exercise the authority granted to me by the Regents to approve and execute, after consultation with the General Counsel, an agreement with the City subject to the aforementioned terms, and to approve and execute any additional documents necessary to implement the terms of the new agreement.

Sincerely,

A handwritten signature in black ink that reads "Michael V. Drake" followed by a stylized flourish.

Michael V. Drake, MD
President

cc: Divisions Leaders
UC Legal Managing Counsel Shanle
UC Merced Chief Campus Counsel Ngai
Universitywide Policy Office