

Briefing on 2001 & 2005 Bond Projects

Challenges Created *by the High Cost of Construction*

1/12/06

Prices started rising a while ago:

“The rising price of building materials in Washington state is causing delays and mounting costs for some construction projects.....”

Source: Spokane Journal of Business (07/01/04);

Prices have risen during the past year

“From October 2004 to October 2005 construction materials:

Asphalt felts and coatings: up 14.9 percent

Copper and brass mill shapes: up 20.7 percent

Construction products from plastic: up 12.6 percent

Concrete products: up 9.7 percent “

Source: U.S. Bureau of Labor Statistics

And.....Prices will continue to rise:

LOOKING AHEAD

“Hurricanes, supply-straining consumption by quickly growing countries such as China and India, rising fuel prices and unabated U.S. construction have all pushed upward the cost of construction materials.

Here's a look at what percentage increases or decreases in cost might be coming for 2006:

Insulation, roofing materials, membranes: 20 percent to 50 percent higher.

Brick, glass: 5 percent to 10 percent higher.

Cement and concrete: 10 percent to 15 percent higher.

Steel: the same. “

Source: U.S. Bureau of Labor Statistics

Higher Costs are Hurting Other Local Projects

- **The Bay Bridge.....**” Steel prices, American Bridge CEO pointed out, have doubled in the last six months.... inflation during the delay ... will increase costs. ...bridge tower's tab for construction will increase by \$120 million with the added interim of re-bidding the work”
- **Laguna Honda.....** “the new hospital could be built for \$629 million, original estimated cost ... was \$401 million “
- **Third Street Rail.....** “San Francisco Municipal Railway's Third Street light rail is expected to be..... about \$21 million over budget, officials said at a City Hall hearing Tuesday. “

Today's Bidding Environment

- During the past 6 months City College put 53 contracts out for bid
- Average number of bids received per contract = 1.7
- For 20 of these contracts we received only one bid
- For 13 of these contracts we received 0 bids

What is happening at other Community Colleges

- December e-mail survey of California Community College Business Officers
- 20 colleges replied
- *16 colleges have either already reallocated Prop 39 bond funds or are planning to do so*

CURRENT BUDGETS OF 2001 BOND PROJECTS

<u>Project</u>	<u>2001 Bond Original Budgets</u>	<u>2001 Bond Budgets After 1st Amendmt</u>	<u>2001 Bond Budgets After 2nd Amendmt</u>
Mission Campus	\$29,287,000	\$29,287,000	\$29,287,000
Chinatown/North Beach	\$44,544,000	\$44,544,000	\$44,544,000
Acquis'n of Evans Campus & Retrofit	\$9,161,046	\$9,161,046	\$9,161,046
Computer Network/Energy Conservation	\$15,883,145	\$15,883,145	\$15,883,145
Renovations/Remodeling/ADA	\$15,841,584	\$15,841,584	\$15,841,584
Joint Use Facility	\$9,900,990	\$4,900,990	\$4,900,990
Health & Wellness Center	\$24,752,475	\$53,599,010	\$53,599,010
Student Health Svcs		\$5,000,000	\$5,000,000
Child Developmt Center *		\$3,000,000	\$3,000,000
Performing Arts EducationCenter ***	\$24,747,525	\$1,000,000	\$1,800,000
Balboa Reservoir	\$12,871,287	\$5,272,277	\$5,272,277
Moggia Property w/ Improvements	\$5,500,716	\$5,000,716	\$5,000,716
New Student Development Center #		\$0	\$0
Adv. Tech/Bio Stem Cell Learning Center #		\$0	\$0
John Adams Campus Retrofit & Remodel		\$0	\$0
Unallocated **	\$2,510,232	\$2,510,232	\$1,710,232
Interest	\$0		\$4,350,000
Total	\$195,000,000	\$195,000,000	\$199,350,000

2001 & 2005 Bond Projects

Resources Compared with Expected Costs

<u>All Projects 2001 or 2005 Bond Measures</u>	<u>Current Budgets 2001 Bond Projects</u>	<u>Current Budgets 2005 Bond Projects</u>	<u>Approved State Funds</u>	<u>Total Resources Currently Available</u>	<u>Estimated Cost</u>	<u>Resources Needed</u>
Mission Campus	\$29,287,000	\$5,300,000	\$30,716,000	\$65,303,000	\$74,000,000	-\$8,697,000
Chinatown/North Beach	\$44,544,000	\$15,000,000	\$36,304,000	\$95,848,000	\$106,000,000	-\$10,152,000
Acquis'n of Evans Campus & Retrofit	\$9,161,046	\$0	\$0	\$9,161,046	\$10,461,278	-\$1,300,232
Computer Network/Energy Conservation	\$15,883,145	\$10,000,000	\$0	\$25,883,145	\$25,883,145	\$0
Renovations/Remodeling/ADA	\$15,841,584	\$35,000,000	\$0	\$50,841,584	\$30,841,584	\$20,000,000
Joint Use Facility	\$4,900,990	\$30,000,000	\$27,933,000	\$62,833,990	\$47,933,000	\$14,900,990
Health & Wellness Center***	\$53,599,010	\$0	\$0	\$56,599,010	\$82,000,000	-\$25,400,990
Student Health Svcs	\$5,000,000	\$0	\$0	\$5,000,000	\$10,400,000	-\$5,400,000
Child Developmt Center *	\$3,000,000	\$0	\$0	\$4,500,000	\$5,800,000	-\$1,300,000
Performing Arts Education Center	\$1,800,000	\$70,000,000	\$20,000,000	\$91,800,000	\$116,800,000	-\$25,000,000
Balboa Reservoir	\$5,272,277	\$0	\$0	\$5,272,277	\$3,272,277	\$2,000,000
Moggia Property w/ Improvements	\$5,000,716	\$0	\$0	\$5,000,716	\$5,410,716	-\$410,000
New Student Development Center	\$0	\$33,000,000		\$33,000,000	\$46,000,000	-\$13,000,000
Adv. Tech/Bio Stem Cell Learning Center	\$0	\$38,000,000		\$38,000,000	\$64,000,000	-\$26,000,000
John Adams Campus Retrofit & Remodel	\$0	\$10,000,000	\$25,108,000	\$35,108,000	\$35,108,000	\$0
Unallocated **	\$1,710,232	\$0		\$1,710,232		\$1,710,232
Interest	\$4,700,000	\$0		\$4,700,000		\$4,700,000
Total	\$199,700,000	\$246,300,000	\$140,061,000	\$585,861,000	\$663,910,000	-\$73,349,000
* Chart includes \$1.5 M available from 1997 bond issue under column "Total Resources Currently Available"						
** Money that became available through a restructuring of bond issuance costs						
*** Chart includes \$3 million from partnership agreement under column "Total Resources Currently Available"						

Results of Proposed Reallocations

<u>All Projects 2001 or 2005 Bond Measures</u>	<u>Total Resources Currently Available</u>	<u>Estimated Cost</u>	<u>Resources Needed</u>	<u>Proposed Reallocations</u>	<u>Total Resources After Reallocation</u>	<u>Resources Still Needed</u>	<u>Add'l State Funds Requested</u>
Mission Campus	\$65,303,000	\$74,000,000	-\$8,697,000	\$9,000,000	\$74,303,000	\$303,000	\$0
Chinatown/North Beach	\$95,848,000	\$106,000,000	-\$10,152,000	\$10,250,000	\$106,098,000	\$98,000	\$0
Acquis'n of Evans Campus & Retrofit	\$9,161,046	\$10,461,278	-\$1,300,232	\$1,300,232	\$10,461,278	\$0	\$0
Computer Network/Energy Conservation	\$25,883,145	\$25,883,145	\$0	\$0	\$25,883,145	\$0	\$0
Renovations/Remodeling/ADA	\$50,841,584	\$30,841,584	\$20,000,000	-\$20,000,000	\$30,841,584	\$0	\$0
Joint Use Facility	\$62,833,990	\$47,933,000	\$14,900,990	-\$14,900,990	\$47,933,000	\$0	\$0
Health & Wellness Center***	\$56,599,010	\$82,000,000	-\$25,400,990	\$24,650,990	\$81,250,000	-\$750,000	\$0
Student Health Svcs	\$5,000,000	\$10,400,000	-\$5,400,000	\$5,400,000	\$10,400,000	\$0	\$0
Child Developmt Center *	\$4,500,000	\$5,800,000	-\$1,300,000	\$1,300,000	\$5,800,000	\$0	\$0
Performing Arts Education Center	\$91,800,000	\$116,800,000	-\$25,000,000	\$0	\$91,800,000	-\$25,000,000	\$25,000,000
Balboa Reservoir	\$5,272,277	\$3,272,277	\$2,000,000	-\$2,000,000	\$3,272,277	\$0	\$0
Moggia Property w/ Improvements	\$5,000,716	\$5,410,716	-\$410,000	\$410,000	\$5,410,716	\$0	\$0
New Student Development Center	\$33,000,000	\$46,000,000	-\$13,000,000	-\$5,000,000	\$28,000,000	-\$18,000,000	\$20,000,000
Adv. Tech/Bio Stem Cell Learning Center	\$38,000,000	\$64,000,000	-\$26,000,000	-\$4,000,000	\$34,000,000	-\$30,000,000	\$30,000,000
John Adams Campus Retrofit & Remodel	\$35,108,000	\$35,108,000	\$0	\$0	\$35,108,000	\$0	\$0
Unallocated **	\$1,710,232		\$1,710,232	-\$1,710,232			
Interest	\$4,700,000		\$4,700,000	-\$4,700,000			
Total	\$585,861,000	\$663,910,000	-\$73,349,000	\$0		-\$73,349,000	\$75,000,000
* Chart includes \$1.5 M available from 1997 bond issue under column "Total Resources Currently Available"							
** Money that became available through a restructuring of bond issuance costs							
*** Chart includes \$3 million from partnership agreement under column "Total Resources Currently Available"							

CITY COLLEGE OF SAN FRANCISCO
“FULFILLING THE PLEDGE”

Mission Campus

To Be Built as Planned

Chinatown/North Beach Campus

**To Be Built as Planned
(New Site Location)**

Computer Networking/Energy Conservation

Continue as Planned

John Adams Upgrade/Seismic

To Be Done as Planned

**Health/Wellness Education Center
(Including the New Student/Health Services
Center and Child Development Center)**

To Be Built as Planned

Renovation/Remodeling/ADA

**Downsizing but Will Reflect
Priority for ADA Issues**

Performing Arts Center

To Be Built as Planned*

Student Development Center

**Combination New Construction
& Expansion of Existing Facility
rather than Stand-Alone facility
complex****

Joint Use Facility

**Combination New Construction
& Remodeling/Renovation
Project rather than Stand-Alone
Facility**

Advanced Tech/Bio-Stem Cell

**Combination New Construction
& Expansion of Existing Facility
rather than Stand-Alone facility
complex****

***Will Require Phase 2 Funding from State – Application Currently
On-File**

****Application for Matching Financial Support from State in
Preparation/Submittal Stage**