MEMORANDUM

DATE:       February 26, 2003
TO:         Board of Trustees
FROM:       Dr. Philip R. Day, Jr., Chancellor
SUBJECT:    Prop A Issues/Status Report

I wanted to provide you with information related to Prop A and the status of developments and “projects,” to date. Also, there are a number of specific issues that I wanted to raise with you, which will be a focus of discussion at the next meeting of the Board’s Committee on Facilities.

First, our new Prop A Oversight Committee is functioning exceptionally well under the leadership of its Chair, Mr. Robert Varni. They have had three meetings; approved a set of By-laws and a Code of Conduct; and given the level of attendance at our meetings, have been actively engaged and are carrying out their oversight responsibilities.

Secondly, we are now moving ahead with several of our major projects. Specifically highlighted below is a summary of each new project that has been initiated and is expected to receive all or part of its support from Prop A.

1) Mission Campus

With a resolution on a new alternative site near, the Facilities Planning staff and the architectural/engineering firm hired for the project are already working diligently and are basing their work on the assumption that a positive response to the resolution will be received from SFUSD. SFUSD has been very cooperative and has identified a member of their Facilities staff to interface with our team. Our team has also been communicating with the State-level people and it appears that we have their support for the change and that we will be able to stay on schedule and hit our deadlines.
2) New Chinatown/NorthBeach Campus

The District did award the contract for architectural/engineering services to Esherick Homsey Dodge Davis and that project has been moving forward. As you know, our efforts in this arena are governed and influenced by the settlement agreement reached between the District and the Friends of the Colombo Building. The latter group was very directly involved in the architectural selection process, along with members of our faculty, staff, and Dean Joanne Low. A planning and organizational meeting between the selected firm, members of the Architectural Review Committee, and our staff has been held and we are moving forward on that project, as well. I would expect that by early Fall we’ll be able to provide the Board with a more detailed briefing on the project.

3) The Downtown Campus. Construction renovations are proceeding and will get underway during the early Summer. That project is expected to be completed in a year.

4) The Evans Campus Renovation/Seismic Upgrade and Retrofitting Project is well underway. A contractor has been hired; construction is underway; and it is expected to be completed by the opening of the Fall Term.

5) Community Health and Wellness Center

An architectural/engineering group has been selected and approved by the Board of Trustees. Several meetings have taken place in regards to the Project with both the Chancellor and Vice Chancellor of Finance and Administration. This is on top of the extensive series of meetings that have taken place between the representatives of the firm and our departmental faculty and staff.

I also wanted to remind the Board regarding our expectations related to this project and in particular, its relationship to the Community Cultural, Performing and Media Arts Classroom/Lab Complex and the use of Prop A funds.

Prop A included $25M for each project. The fact is that neither of the two can be built for $25M. The planned Phase II Bond (see attached) includes an additional $25M for each project, which would be required to build, given the size and scope of facilities in both cases.

In reviewing the newly established criteria for prioritization of capital outlay projects for the California Community Colleges, it is very clear that after basic health and safety issues, facilities that have a direct impact on instruction have the highest priority, especially those providing additional and improved classroom space.

Clearly, the Gym/Wellness Center chances of getting priority funding consideration from the state are non-existent due to the level of priority (Category D) and the competition for funds. As it is, the Gym Project has been on the list for over 15 years and has never moved up for precisely those reasons.

On the other hand, the Community Arts/Theater/Music and Media Arts facility’s chances for support from the state are extremely high because of the priority associated with instruction and classroom space (Category B). It should be emphasized that the packaging of the rationale for this facility needs to stress the need for new and improved classroom and laboratory space to provide for a quality teaching and learning environment for our Theater, Music, Visual and Media Arts faculty, students, courses, and program areas. Correspondingly, we would need to de-emphasize (for state purposes) the “community performing arts center” concept, the elements of which could/would be paid for out of local bond funds. Performing Arts Centers are considered equivalent to gyms and are also Category
D projects. Using the aforementioned rationale (new/improved classroom/lab space, etc.), we feel that it is highly probable that $25-30M in support from the state could be supported, put on the state’s list, and funded out of a future statewide bond (2005/06, or 2007/08). We also feel, out of respect for our local taxpayers, that the District needs to diligently pursue all opportunities for state matching dollars whenever possible so as to ease the burden on the local district. That was a promise we made during the Prop A 2001 campaign and one that we should strive to keep.

The timetable for state funding for this project does coincide with our plans for the site-development and expansion of the Ocean Avenue Campus into the Balboa Reservoir. In large part, the timetable for same is dictated primarily by the readiness and capacity of the PUC to identify funds and provide matching funds to the college’s commitment for same. Unfortunately and as the Board is aware, we were very disappointed to learn that the PUC did not include any of its major project funds to support this effort in its recently approved Revenue-Bond Measure A. The only funds that were listed in the bond measure for this project was $300K for engineering related studies. If the PUC is dependent on future bond funds to support their commitment to the project, those funds would not be available until 2010-2012. However, given the passage of Prop D, which gave the PUC the ability to increase rates for both sewer (starting soon) and water (not until 2005), there is an outside chance that “operational and maintenance funds” could be earmarked and budgeted on a year-to-year basis, and could become available as early as 2006 (but no sooner).

I know several of you attended last night’s briefing on the status of the College’s Master Plan. I think SOM mistakenly left the impression that if we were to develop the South Reservoir, which we currently own, the timetable for developing this area and for targeted projects could be moved up. That is most definitely NOT the case. The planning and engineering work that needs to be completed on the berms (South, East, West, and the Middle berm) and the PUC’s easement that runs East-to-West along the Northern Point of the Phelan Loop and behind the Kragen Auto site thru Plymouth Street, requires us to work in tandem with the PUC. The construction project related to doing site development on this same area also requires us both financially and from a design/project-management perspective to work jointly with the PUC. And, finally, there is the matter of legal jurisdiction and the fact of the matter is that the PUC would never allow us to “go it alone” because of their future development plans for their part of the reservoir. Unfortunately, our futures are linked if we want to pursue a plan that provides for the type of campus development that balances out our need for quality improvement of facilities, expanded classroom/lab capabilities, and parking. Squeezing all of our projects into the South Reservoir facing the “backdoor” of an uncertain development for both retail and housing West of the Phelan Loop is no one’s idea of an optimum scenario.

Given the status of the gym; the seismic problem we have which represents a significant/potential threat (but not high enough to meet the state’s standard, which would result in the facility being listed among Category A projects: Health and Safety Priorities); and the fact that no state funds would be available for this project, which is not true for the Theatre/Performing Arts facility, it is our intent and recommendation to reallocate $23.75M of the funds currently designated for the latter to the gymnasium project. This new major facility could be then put on a “fast track” and be completed for the community and college, well before we go out on the Phase II Bond. Under Prop 39, the District has the legal flexibility to reallocate these funds.

Correspondingly, we would be leaving enough money in the Theater Project account to offset the cost of doing the planning associated with the development of a Final Project Proposal that would be submitted by July 1, 2003 and approved by the State over the summer and fall months. If we push all the right buttons and complete the necessary paperwork for the Theater, Music, Visual, and Media Arts Classroom/Laboratory Complex and get it on the list, we would then be able to have the state pick up 50% of the cost of this new complex. If, for whatever reasons (hypothetically) we are
unsuccessful in this approach, we still would have a total of $50 million available in the Phase II Bond to build the Arts Facility with local funds, if necessary. Again, and this is very significant—the timetable for our Phase II Bond; getting the State’s approval for this project; and finally, the PUC’s timetable for their Balboa Reservoir Project are all compatible and in line with each other. In sum, by reallocating the $23.75M to the Wellness/Gym project, it allows us to go forward on this project and in acknowledgment of the timetable for the Balboa Reservoir, provides us the time to pursue state funding for the Arts Complex.

Getting back to the Community Wellness Center project, there are some other related developments that we see as a very real opportunity to make substantial progress on projects for the Ocean Avenue Campus. Specifically, a new Student Health Services facility was included within Prop A. We had the option of including it as a part to the new Joint Use Facility between City College and SFSU, along with a new Child Development Center/Laboratory School or include it as a part of the Community Health and Wellness Center. We have been successful in getting the Joint Use Facility Approved by the State Board of Governor’s and included on their long-range Capital Outlay Priority List for $27.5M. This project is not expected to begin (at the earliest) until 2005 (Preliminary Planning) and construction completed in 2008. Additionally and given the nature of the project (Joint Use with SFSU), we are still waiting for the California State University System to demonstrate their cost-sharing commitment to this effort. While this represents a significant victory and development, we can’t wait that long for construction of new facilities to provide a new home for the Student Health Services (currently serving over 5000 students out of our infamous bungalows) and the Child Care Center (another bungalow-based facility). The Joint Use Facility is also impacted by the Balboa Reservoir Project, as well.

We did explore the possibility of housing the Student Health Service complex within the same structure as the Wellness/Gymnasium Project but that proved not to be a “good fit” on a variety of levels. Instead we have decided that we could include both the Student Health Facility and Child Development Center/Lab School within the overall project planning for the Wellness/Health Center and consider both as separate but related to the primary facility. The advantage of this approach is that it puts these sub-projects on a very fast track and both could be built and opened before the larger gymnasium project is completed. Additionally, and given same very specific value-added cost benefits, and economies of scale, the new Student Health Facility Complex could also include a second floor and 10 new classrooms, which will allow the Ocean Avenue Campus to get rid of a significant number of its dilapidated bungalows.

To do all of this and complete all of the projects require us to reallocate funds to support the effort. For example, the Child Development Project was included originally as a part of the Joint Use Facility. In this case, we can reallocate funds on local “Joint Use Facility Funds" and add this to the Health/Wellness Project to achieve the goal of building a new Child Development Center. The Student Health Services Center was identified as a part of the Gymnasium Project but would need additional funds to support it being expanded beyond its current level and adding 10 additional classrooms. These additional classrooms address both the need for “swing space,” pave the way for other projects, and allow us to vacate and destroy (finally) a good number of the dilapidated bungalows within which we are still holding classes, much to the dismay of both students, faculty, and staff (including myself).

Given the time delays associated with both the Joint Use Facility and the Balboa Reservoir, coupled with the unsuccessful attempts to acquire new additional swing space for the Ocean Avenue Campus (acquisition of the greenhouses land north of the North Gym owned by Gene Mosier), it would be inappropriate to just sit on these funds and not to use them in such a way that we can demonstrate a significant improvement and expansion of classroom/laboratory space, support services and facilities. In so doing, we could demonstrate significant progress in using Prop A funds in a timely fashion, and
correspondingly, demonstrate the additional need for the Phase II Bond by showing how much we have been able to achieve with Phase I.

I am attaching a copy of a Project Summary Spreadsheet for the 2001 General Obligation Bond. This new chart reflects the suggested “reallocations” that are necessary to achieve the following:

1) Construct the New Community Health and Wellness Center
2) Design and Build a new and expanded Health Services Center
   - Including 10 new classrooms
3) Design and Build a new Childcare Development Center and Laboratory
4) Design and Build a new practice field area for soccer, football, and other activities
5) Eliminate at least 75% of the existing bungalows on the Ocean Avenue campus that are 15 years or older.

The Total Cost for achieving the above is $65.8M.

Again, this background information will be discussed at our next meeting of the Board of Trustees Facilities Committee. I have discussed these matters with both the Chair of the Board Facilities Committee, Lawrence Wong, and the Chairperson of the Citizens Prop A Oversight Committee, Mr. Robert Varni. It is expected that a resolution calling for the approval of these reallocations will be brought forward at the Board’s March meeting. It will also be on the agenda for the next meeting of the Prop A Oversight Committee in May.

Thanks and I look forward to our upcoming discussions. If we are able to move forward with the above, coupled with the construction that will be well underway with both the Mission, Chinatown/NorthBeach, Downtown, and Evans Campuses, we will have done a lot to demonstrate our commitment to get these projects underway, address long-standing facilities problems throughout the District, and finally, be able to move forward to with our Phase II Bond and other state-funded projects successfully and with confidence.

Attachment

cc: Peter Goldstein
    David Liggett
    Jim Blomquist
    Robert Varni

PRDJ:jcd