Date: May 31, 2001

To: Board of Trustees

From: Dr. Philip R. Day, Jr., Chancellor

Subject: CAPITAL OUTLAY
Authorization to Appropriate Funds for Central Shops And Warehouse Project
(Resolution No. 010531 – B4)

BACKGROUND INFORMATION:

In December 1998 the Board Trustees approved Resolution No. 981217-B6, thereby appropriating $250,000 of Prop A Bond funds to pay for redesign work necessary to secure approximately $4 million in state funds for the Central Shops and Warehouse Project and for mitigating the hazardous waste problem associated with the current site. The redesign work was needed because neighborhood opposition to the original site in 1992 led to the selection of the current building site which required an entirely new design. Unfortunately the state refused to pay for the redesign and the State Budget Act of 1994 actually included a provision that prohibited the District from seeking any additional funds for the project.

During the course of performing the construction work, the District discovered a conflict between the design of a roadway and a water main. The resolution of this conflict required additional design and construction work. The District is pursuing a claim of $150,000 against the consultant who is responsible for the error that led to these additional costs. As stated earlier, no additional State funding is available to pay for these costs, therefore it is necessary to appropriate General Obligation Bond funds from the “Phelan Campus Infrastructure” category to cover these costs. If the District is successful in pursuing its claim, the $150,000 will be returned to the bond fund to pay for other infrastructure projects.

The remaining $58,000 is for additional local permit fees, moving costs, and architectural work unrelated to the roadway error, that are needed to complete the project. These costs are all bond eligible expenditures. This resolution would appropriate a total of $208,000 of Prop A Bond funds to pay for the above mentioned costs, but the net charge to the bond fund will be reduced by any recoveries from the previously mentioned claim, and the final cost to the Bond fund could be as low as $58,000.
RECOMMENDATION:

RESOLVED: Authorization to be given to appropriate up to an additional $208,000 of Prop A Bond funds to be used to fund the design and construction of the Project: Central Shops and Warehouse, and

FURTHER BE IT RESOLVED: That the Chancellor, Vice Chancellor of Finance and Administration and/or their designee are hereby authorized to execute any and all documents on behalf of the District to effectuate this resolution.

Peter Goldstein, Originator
w/ David Liggett