

August 4, 2004

To: Santa Monica College Board of Trustees

From: Piedad Robertson, Superintendent/President

Subject: Resolution Calling for a Bond Election for the Santa Monica Community College District and Approving a Facilities List; and Resolutions in Support of Cooperative Agreements with Other Public Agencies

Introduction

On August 2, 2004, the Board of Trustees considered a resolution calling for a November 2, 2004, bond election with the purpose of providing the voters of the District the ability to vote on a bond measure authorizing \$175 million in general obligation bonds in accordance with Proposition 39 for facility improvement projects of educational benefit.

The resolution received four affirmative votes, two negative votes, and one abstention. This type of resolution requires a 2/3rd majority, or five affirmative votes.

Board discussion identified a number of ways in which a new resolution could be constructed that would provide most of the needed educational and program benefits that have been identified; would significantly reduce cost to the taxpayer; would more narrowly focus District efforts with regard to establishing cooperative partnerships; and would increase accountability by eliminating several projects whose timeline cannot be forecast sufficiently.

This report recommends that the Board of Trustees adopt a resolution calling for a November 2, 2004, bond election for the Santa Monica Community College District; and that the purpose of the election shall be for the voters of the District to vote on a Bond Measure that authorizes the District to issue \$135 million in general obligation bonds in accordance with Proposition 39.

This report recommends the approval of a listing of District projects to be funded by the bonds under the Bond Measure, developed through an assessment of current District facilities, remaining campus facility deficiencies, and partnership opportunities that will provide for the District's ability to assure environmental integrity and to reduce costs; and an evaluation of safety, class size reduction, and information technology needs.

The report also recommends the adoption of two resolutions that affirms the intent of the District to form a Joint Powers Agreement with the City of Malibu, to preserve future partnerships for other public agencies, and to further explore partnerships with the City of Santa Monica.

Discussion

Background material related to these recommendations has previously been provided to the Board and is summarized in the staff report dated July 29, 2004, and the accompanying document providing detailed descriptions for each of the projects.

The following provides a comparison of the current recommendation with the prior recommendation.

Retention of the most critically-needed instructional improvements: The Board heard public testimony at its August 2, 2004, meeting that supported needed improvements in Music, Dance, Workforce Development, Career Training programs, Physical Education, Athletics, Early Childhood Education, Student Support services, General Education, and Emeritus College.

This report recommends that the instructional facility improvements for these programs be preserved, including site acquisition for field space; site acquisition and improvements in Malibu; replacement of the Health, Fitness, and Physical Fitness building; improvements to provide childcare and an Early Childhood Development lab facility; a new Music and Performing Arts Complex; a new Career Opportunity Center; and upgrades to existing and future District facilities for energy efficiency and sustainability.

This report recommends the deletion of several instructional projects, in order to focus resources more carefully. Staff will seek ways to provide these benefits within existing or planned facilities. These projects include the deletion of improvements benefiting Marine Biology at sites adjacent to the coastline; the deletion of improvements benefiting Life Sciences, including an arboretum; the deletion of a new Children's Outdoor Fitness Park as a resource for the Early Childhood Development program; the deletion of shuttle and park-and-ride facility improvements; and the inclusion of replacement tennis courts within the allocation provided to the acquisition of field space.

This report also recommends several small reductions in allocation for several of the listed projects: a reduction of \$4 million for the Performing Arts Complex; a reduction of \$3 million for the Career Opportunity Center; a reduction of \$2 million for the Health, Fitness, and Physical Education Building; and a reduction of \$2 million for the energy efficiency projects. The District will seek to maximize other funding resources in order to preserve the full value of these improvements.

The report recommends the deletion of improvements to shuttle stops and park-and-ride facilities to be funded from this bond measure. The District will seek to make these improvements from other funding resources.

The report reduces the amount reserved for contingency to \$0. Staff will seek to maximize other funding resources in order to provide contingency funding.

Significant reduction of cost to the taxpayer: The proposed bond measure reduces the principal amount of the bond authorization from \$175 million to \$135 million, a 23% reduction. Because of the way in which interest payments are calculated, the cost reduction for the taxpayer will be even greater. This cost reduction preserves future flexibility for other agencies to go forward with their own proposals.

More narrowly focuses District efforts with regard to establishing cooperative partnerships: The accompanying resolutions to the bond authorization resolution provide the District an opportunity to reduce costs through potential partnership opportunities.

This report recommends no changes to the recommendation regarding the City of Malibu.

The project to benefit Marine Biology at sites adjacent to the coastline and the project to provide improvements benefiting Life Sciences, including an arboretum, have been deleted from this proposal. Both of these projects were to be considered as potential partnership projects with the City of Santa Monica. The remaining projects with the potential for partnerships are field acquisition, improvements, and retrofits, with an allocation amount of \$37 million; an Early Childhood Development lab, with an allocation of \$7 million; and energy efficiency projects, with an allocation of \$2 million. (An amount contained within the prior contingency allocation has been eliminated; and the City of Santa Monica did not express an interest in the Career Opportunity Center project, which also contained an allocation amount for partnership.)

In summary, the prior recommendation allocated \$75 million for projects that could involve the partnership participation of the City of Santa Monica or other public agencies. In turn, the City of Santa Monica identified \$60 million of these projects to be of interest for further discussion. The elimination of the arboretum project and the Marine Biology project, and the reduction of the energy efficiency project reduce this amount by \$14 million, to a new potential partnership total of \$46 million. (This last number is the amount indicated in the recommended resolution.)

Increases accountability by eliminating several projects whose timeline cannot be forecast sufficiently: The realization of the arboretum project and the Marine Biology project most likely depend on future decisions which cannot be known at this time, leading to uncertainty. The Children's Outdoor Fitness Park is to be situated on a future site on the main campus; the availability of this site depends on the relocation of existing facilities. The timeframe of this relocation is uncertain. Deleting these projects will increase certainty and improve overall project accountability.

Additionally, this report recommends the deletion of the ballot measure title, in response to Board comment.

Recommendations

The District believes that the foregoing changes would provide most of the needed educational and program benefits that have been previously identified; would significantly reduce cost to the taxpayer; would more narrowly focus District efforts with regard to establishing cooperative partnerships; and would increase accountability by eliminating several projects whose timeline cannot be forecast sufficiently.

It is respectfully recommended that the Board of Trustees adopt a resolution calling for a November 2, 2004, bond election for the Santa Monica Community College District. The purpose of the bond election shall be for the voters of the District to vote on a Bond Measure that authorizes the District to issue \$135 million in general obligation bonds in accordance with Proposition 39.

It is also recommended that the Board approve the accompanying listing of District projects to be funded by the bonds under the Bond Measure.

It is also recommended that the Board approve resolutions expressing the District intent to develop Cooperative Agreements with the City of Santa Monica, the City of Malibu, and, if necessary, other public agencies on the expenditure of general obligation bond proceeds.

All documents referenced in this report are available on the District website at www.smc.edu/comm_ed_facil_2004/