

July 29, 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

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.

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 \$175 million in general obligation bonds in accordance with Proposition 39.

Proposition 39 provides for authorization to be approved by a 55% vote of the electorate, and it subjects the Bond Measure to a number of voter protections, including Board approval prior to the election of a list of projects to be funded by the bonds; an annual, independent financial and performance audit on the use of the bonds; and a citizens' oversight committee to inform the public on the use of the bonds. Under Proposition 39, the tax rate levied as the result of voter approval of the Bond Measure is limited to no more than \$25 per \$100,000 of taxable property value within the District.

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.

This 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.

Background

In July 2003, the Board of Trustees approved a resolution authorizing the completion of a District-wide facilities assessment, to identify remaining campus deficiencies, and to identify partnership opportunities.

A comprehensive report was provided to the Board on June 1, 2004, and made available to the public that identified existing facility deficiencies for the Physical Educational Building, the Music Complex, the Concert Hall, and a District childcare facility. Other facility deficiencies were also identified that included athletic field space and outdoor courts, music and dance performing arts facilities, and facilities to support new programs in emerging technologies. The report noted that the District is deficient in providing instructional programs in Malibu and lacks an instructional facility to support programs that utilize directly the District's 26 miles of coastline as a natural resource.

The report also noted that meetings with staff from the City of Santa Monica, the City of Malibu, and the Santa Monica-Malibu Unified School District, along with a review of publicly available documents, had identified a number of potential projects that could be accomplished with partnership opportunities in order to reduce costs or to assure environmental integrity. These projects included new field space, childcare, science instructional resources, a new campus center in Malibu, and energy efficiency upgrades.

The report provided background information on all of the proposed projects, and proposed a bond measure to fund the needed improvements.

A report on the results of a public opinion poll was provided to the Board on July 7, 2004, and made available to the public, along with a set of recommendations based on college and community input.

Following Board direction, the District has prepared a list of recommended projects and the documents needed to call for a bond measure. A document providing detailed information about each of the recommended projects, including its educational benefits, a cost allocation, phasing, and an operational plan was provided to the Board on July 15 and made available to the public. That document and a one-page addendum is also part of this report, as Attachment A.

College staff has met with each of the disciplines that are intended to benefit from the recommended facility improvements, and has confirmed that the recommended projects meet student and faculty need.

College staff has also consulted with the staff and met with the elected bodies of each of the potential partnership public agencies, to further determine their interest in partnership. With regard to the City of Malibu, a draft Joint Powers Agreement document is currently under review by the City. The benefit to the District is to assure environmental integrity and to reduce costs of a recommended new educational center in Malibu. With regard to the Santa Monica-Malibu Unified School District, the School District has identified other uses and resources for the proposed partnership site, but has requested that the College District preserve the ability of the School District to participate in partnership projects in the future. With regard to the City of Santa Monica, the City has identified five projects to be of interest, and the City Council has directed its staff to further explore partnership arrangements. The benefit to the District is to reduce cost.

Discussion

Facility Renewal. The original campus was developed over a period of about 30 years, from the first purchase in 1940 to the opening of the Technology Building in 1969. The College is currently at the midpoint of a similar cycle to renew and improve College facilities.

Measure T, a bond measure approved in 1992, together with FEMA earthquake recovery funds and State grants, provided resources to provide a new Science Complex and an expanded Library.

That effort provided the impetus to develop a Facilities Master Plan, adopted in 1998. Measure U, a bond measure approved in 2002, provided additional funding to renew a number of obsolete buildings on the main campus and to address the need for permanent offsite parking. This measure will complete the renewal program of buildings on the main campus and also provides significant program improvements—a performing arts center, an Early Childhood Development Lab, a Career Opportunity Center, and field space—that will provide both educational and public benefit.

Poll Highlights. In early July 2004, the College Foundation financed a public opinion poll of 400 Santa Monica and Malibu likely voters, to test public support for this measure. The poll results were reported to the Board on July 7, 2004, and are available on the District's Facility Assessment webpage. Voter response when given both cost and project information, as well as the ballot language, was 69% positive. All projects were deemed worthy of public support, with the highest support for the Career Opportunity Center, retrofits for energy efficiency, a childcare center and lab, an expansion of the Pier Aquarium, and a performing arts complex. 40% of those polled believed that the best single reason to approve the bond measure was to improve the quality of education; 33% believed that the best single reason was to improve the quality of life for our community; and 14% believed that the best single reason was to improve the health and fitness of children.

Educational Benefits. The projects recommended to be funded by this bond measure include facilities that will benefit Music, Dance, Workforce Development, Career Training programs, Physical Education, Athletics, Early Childhood Development, Education, Student Support services, General Education, Emeritus College, Natural History, Life Sciences, and Natural Geography. The projects will also fund energy efficiency improvements to provide for the reduction of operating expenses.

College staff has met with each of the disciplines intended to benefit from these facilities, either in a joint meeting with the Academic Senate leadership, in individual meetings with the department chair and involved faculty, or both. (In some cases these meetings have been by phone.) These meetings have solicited both comment and guidance, which have been incorporated into the project descriptions included with this staff report as Attachment A.

Potential Cost Reduction Strategies. The District has identified potential partnership opportunities to reduce cost and has acted proactively to meet with and consult the staff and elected officials of other Santa Monica and Malibu public agencies.

City of Malibu: In order to assure environmental integrity and to reduce costs, the College District is recommending a requirement that the acquisition and development of a Malibu educational center and field space be done within the framework of a Joint Powers Agreement (JPA). A draft JPA document is currently under review by the City of Malibu and staff intends to present this document for Board decision prior to the election. The District believes that the environmental issues in a community with no sewage treatment system are of sufficient deterrence, that absent their resolution requiring actions on the part of the City of Malibu, the proposed educational center is impractical.

Santa Monica-Malibu Unified School District: In order to reduce costs, the College District proposed a joint-use partnership. The School District has identified other uses and resources for the proposed site, but has requested the College District preserve the ability of the School District to participate in partnership projects in the future, as the School District develops a Master Facilities Plan. College staff recommends this action.

City of Santa Monica: In order to reduce costs, the College District proposed seven projects totalling \$75 million in allocated bond funds as partnership projects to the City of Santa Monica. City staff has in turn identified five of these projects totalling \$64 million (including contingency funds) to be of interest. At its July 27 meeting, the City Council directed its staff to further explore partnership arrangements. College staff recommends a vigorous effort by the College District to achieve these partnerships with the intent to develop documents for Board decision prior to the election. Staff also recommends achieving cost efficiency by other means if a particular project partnership is not feasible in order to preserve the educational and public benefit.

Cost of the Facilities Bond Issue. Under Proposition 39, the maximum cost that can be authorized is \$25 per \$100,000 in assessed property valuation. Preliminary estimates show that the first year cost will be \$18.00 per \$100,000 in assessed valuation, and the average cost will be \$22.64 per \$100,000 in assessed valuation. (The full amount of the bond will not be issued immediately; this estimate is for five issues beginning in 2005.) The median average cost to a homeowner in Santa Monica or Malibu will be about \$77 per year, and the average cost to a renter in Santa Monica will be about \$13 per year.

Accountability. Based on State law and guidance received from the community through appearances before public agencies, advisory groups, and neighborhood groups, the adopted project list includes the following directives:

- All bond expenditures are subject to review by a Citizens Oversight Committee which reports to the public, as provided in Education Code Section 15278 *et seq.*
- Bond proceeds will not be used to purchase residential property.
- The District will not unilaterally override City of Santa Monica land use authority for off-campus field space projects done under Cooperative Agreements within the city limits of the City of Santa Monica.

- The District will involve faculty, staff, and students in curriculum development throughout the life of the bond measure program.
- The District will conduct a neighborhood assessment of need as part of the program design of the Career Opportunity Center Project.
- The District will conduct a comprehensive assessment of program need prior to making improvements in Malibu for an instructional facility and field space.
- The District will provide an opportunity for input from community and neighborhood residents during the development of Projects to be funded by this bond measure.

Recommendations

Santa Monica College has conducted an assessment of its facility needs in order to preserve educational quality at the College. This assessment has been widely circulated. A public survey of likely November 2, 2004 voters was conducted to assess the public priorities for the recommended facility improvements. 69% of the Santa Monica and Malibu voters surveyed expressed a willingness to support these recommended projects and to finance them primarily with \$175 million in bonds. Additionally, the District has sought to improve the overall benefit to the community by seeking partnership agreements with other public agencies, and expects to confirm these partnerships prior to the election.

It is 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 \$175 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.

ATTACHMENT A: Recommended Projects for Bond Measure, July 15, 2004, with July 29, 2004, Addendum

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