


**OFFICE OF THE PRESIDENT****MEMORANDUM**

DATE: June 8, 2005
TO: Omero Suarez
FROM: Ted Martinez, Jr. 
SUBJ: PROP R FUNDING PLAN RECOMMENDATION

After careful review and consideration, a set of recommendations has been developed through our governing process for your consideration. My Cabinet and I support these recommendations. As I have shared with you, recent capital construction cost estimates are exceeding well over 30% the original budgeted amounts, producing an overall shortfall that exceeds \$30 million. It became very clear that we needed to review and analyze all our construction projects.

Our governance process related to the college Prop R Funding Plan involves the Facilities Committee and the Planning and Budget Council. The gravity of this situation caused the Facilities Committee to hold four special meetings to fully review, analyze, and consider our options. Their deliberations were presented to the Planning and Budget Council, which endorsed their recommendations and forwarded them to me. In turn, I am endorsing and submitting these recommendations to you on behalf of Grossmont College.

The recommendations are based on our overall goals for Prop R funding in 2005-06 and beyond.

- a. Conform to Facility Master Plans, as approved by the Governing Board
- b. Address construction cost escalation
- c. Focus on student instruction and service to students
- d. Respond to student parking need and EIR study
- e. Explore long-term parking options

Based on this review and analysis, I recommend the following:

1. Delay (defund) the construction of the Prop R funded Parking Structure, which has escalated from \$21 million to \$28 million.
2. Establish short- and long-term parking strategies to respond to the EIR study using a phase-in approach.
3. Re-allocate available Prop R funds to cover construction cost increases and proceed with higher priority projects and buildings as follows:

a.	Student Center	\$4,951,674
b.	Student Services Building	\$4,951,294
c.	Science Lab Building	\$4,864,859
d.	Digital Arts/Sculpture Building	\$4,548,853
e.	Life Safety Road	\$1,074,719
f.	Renovate Building 400	\$3,452,794
g.	Chiller Plant Infrastructure	\$ 893,262
h.	Interior Design Guidelines	\$ 65,000
i.	Fire Alarm Upgrade	\$ 52,880

I would welcome an opportunity for us to brief you about these recommendations in detail. I will work with your calendar to identify a time for us to review these documents.

Thank you for your interest and support.

Recommendations for Revised Prop R Funding Plan and Phase-In Parking Plan

Executive Summary

Capital Construction Cost Increases = Funding Shortfall Dilemma

Recent capital construction cost estimates are driven by a combination of factors as previously identified by Vice Chancellor Austin in his 'Perfect Storm' document (see attached). In virtually all instances, initial construction cost estimates and actual bids are exceeding well over 30% of the original budgeted amounts, thereby producing an overall estimated funding shortfall that exceeds \$30 million. It is very clear that Grossmont College must again review and analyze all construction projects. As a result of these dramatic increases in construction costs, we will not be able to build the series of buildings initially planned within the limits of State bond and Prop R funds.

Process for addressing the Grossmont College Funding Shortfall

The Grossmont College Shared Governance process for facilities resources issues flows through the Facilities Committee, to the Planning & Budget Council, to the President. The charge has been to follow the Facilities Master Plan and maintain as many priority projects as possible, given the \$30 million overage as well as remaining within the \$107 million Prop R allocation approved by the Board and other State bond resources, as approved by the System Office of the California Community Colleges.

Funding Shortfall Proposal

The Facilities Committee proposal is to:

1. Delay the construction of the Prop R - Funded parking structure, which had recently undergone a \$7 million construction cost estimate increase beyond the existing \$21 million budget; and
2. Re-allocate funds to cover the shortfall associated with construction cost increases related to higher priority projects and buildings. The College has committed itself to these projects and buildings, they are in the pipeline, (some of which have state matching funds), and they are vital to the instructional needs and student services most closely related to the college mission.

Solutions to Consequences of the Proposal

Implementation of this Funding Shortfall Proposal requires that Grossmont College address meeting the needs of the college for additional student parking, relocation of Public Safety and utilities, and address the EIR Study. Below are steps of a solution to meet those needs.

1. Reaffirm the Facilities Master Plan and commitment to priorities focusing on instruction and "students first";
2. Provide alternate strategies to provide parking for our students as the campus builds to its 20,000 student enrollment projection;
3. Phased-In Near Term Parking Plan;
4. Public Safety and Utilities Infrastructure Relocation Solutions;
5. Identification of Long-term Parking Options.