



January 29, 2013



## *Begin with the end in mind.*

*“To begin with the end in mind means to start with a clear understanding of your destination. It means to know where you are going so that you better understand where you are now and so the steps you take are always in the right direction.”*

*Stephen Covey*

## Potential Program Size and Duration

Measure Q	\$ 348 M
Known State Funding	\$ 32 M
Unknown Funding	<u>\$ 50 M*</u>
Potential CIP Size	\$ 430 M*

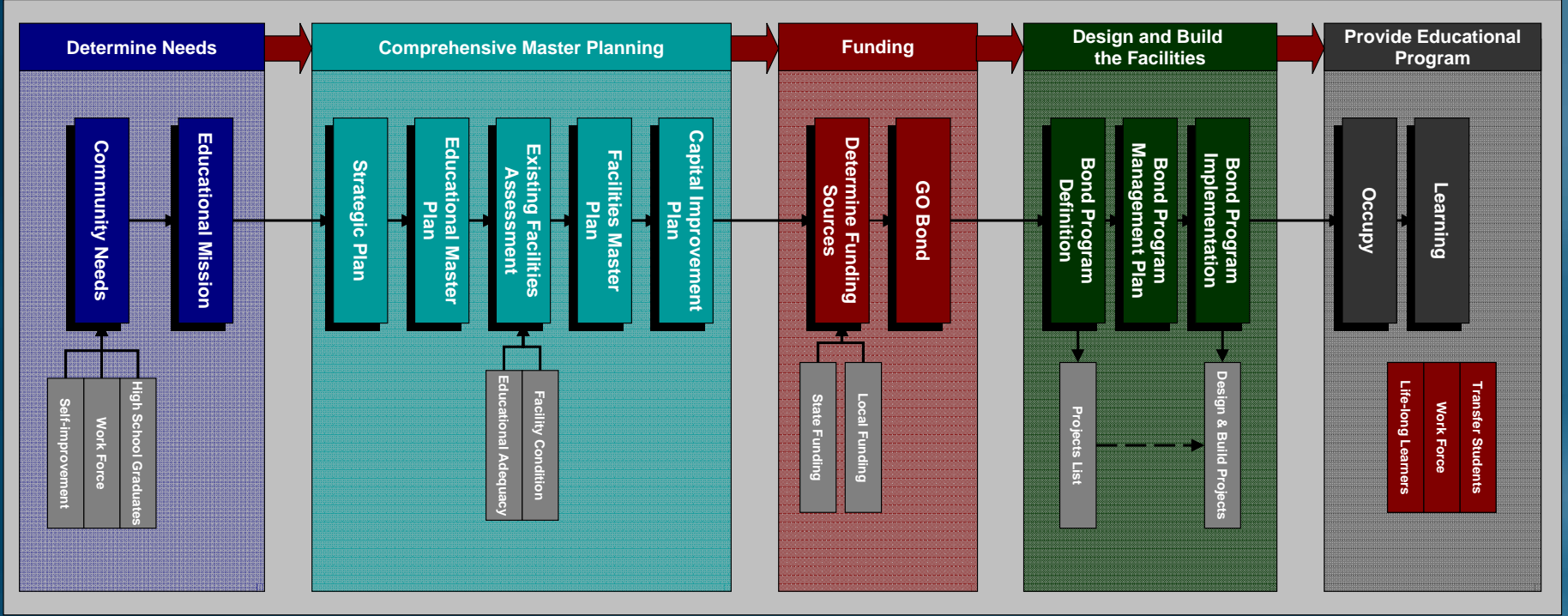
Potential Bond Duration 15 to 22 years

\* Estimate

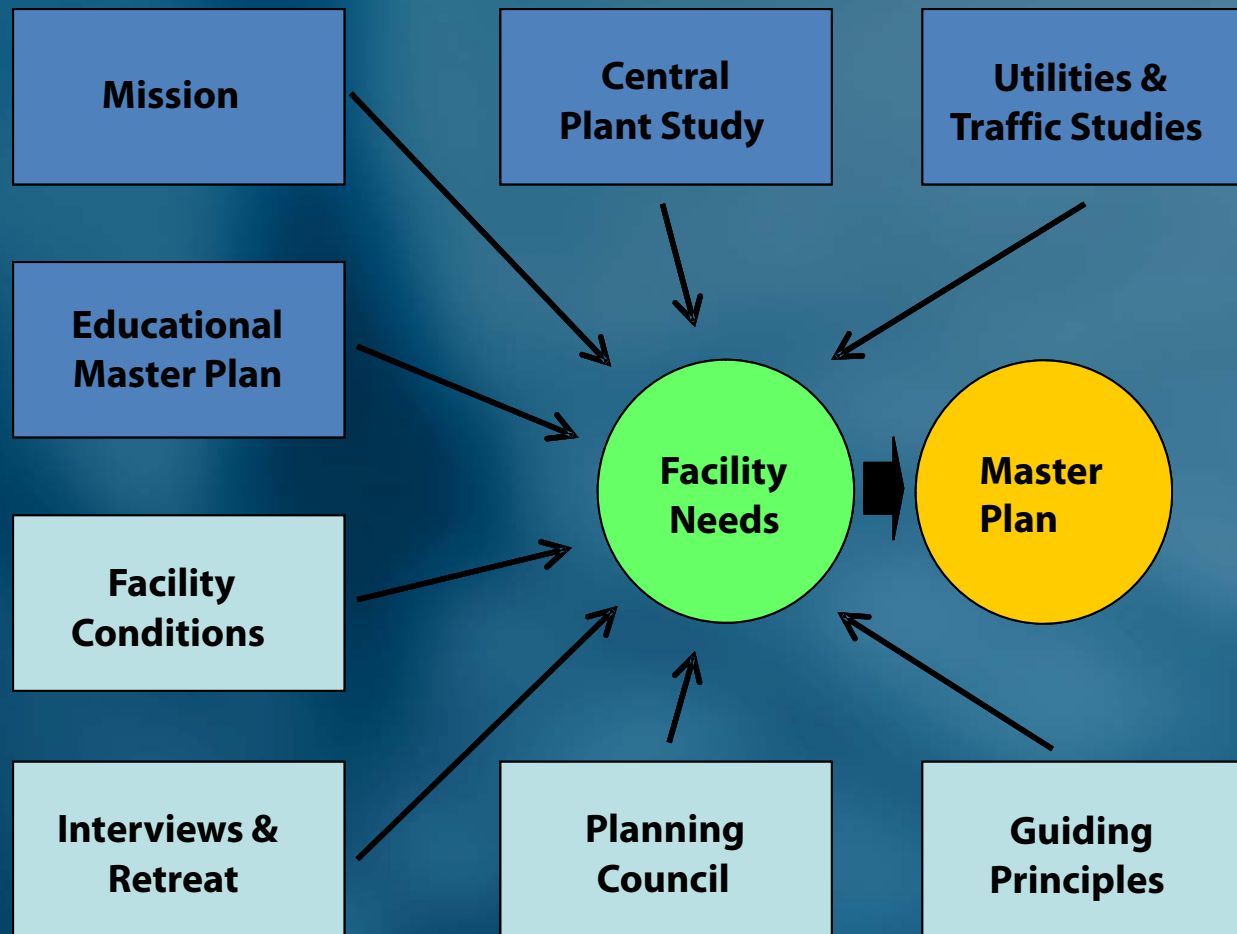


**It's all about learning!**

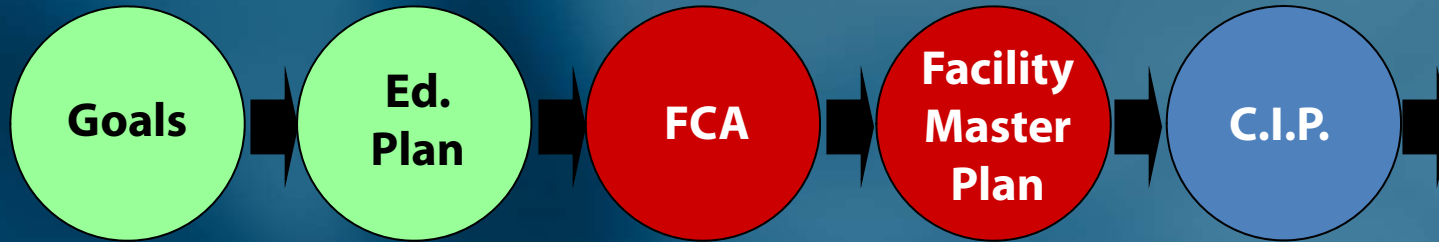
# Where have we been?



# Multiple Influences

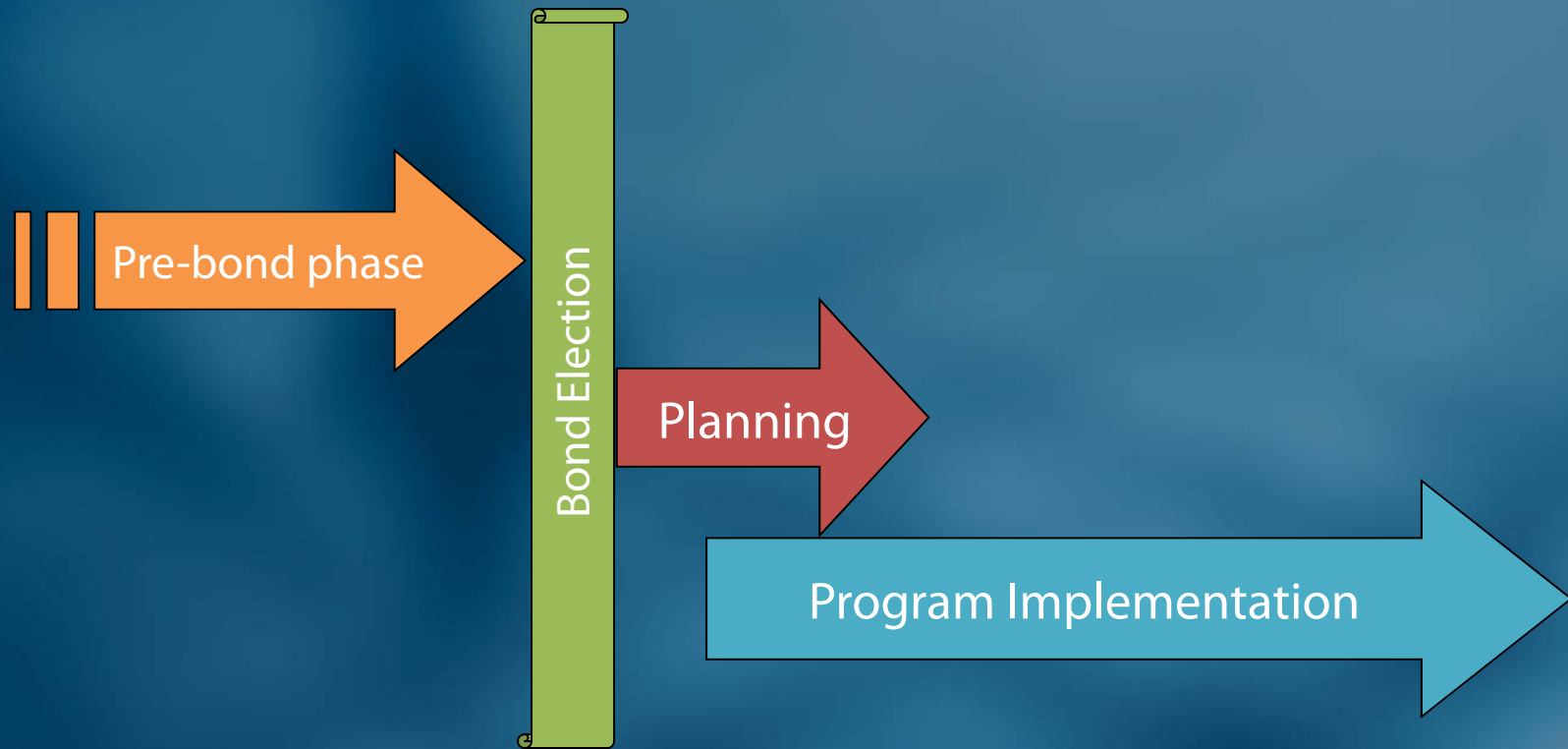


# Spectrum of Campus Planning



- Project.
- Project.
- Project.
- Project.

# Managing the Bond







# Priority Projects

## SOLANO COMMUNITY COLLEGE DISTRICT

## PRIORITY PROJECT LIST AND PROBABLE COSTS

Prepared Jan. 22, 2013

DRAFT Probable Costs, Priority Projects

### Facilities Master Plan, Solano Community College

			Measure Q	State Funding
1	Fairfield	Building 1200 Theater, Music Drama Renovation	\$ 492,868	\$13,671,000
2	Fairfield	NEW Student Forum	\$ 3,947,759	
3	Fairfield	NEW Library + Academic Success Center	\$ 19,561,646	\$18,308,000
4	Fairfield	NEW Science and Math	\$ 30,762,512	
5	Fairfield	Building 1800A - Vocational Technologies	\$ 16,691,404	
1	Vacaville	New Multi-Science and BioTech Building	\$ 29,870,125	
2	Vacaville	New Corporate Training Center & Aeronautics (Nut Tree)	\$ 14,532,834	
3	Vacaville	Agriculture Building + M&O Facility	\$ 16,594,514	
4	Vacaville	Future Funding for Existing Vacaville Center Renovation/Projects	\$ 19,851,876	
5	Vacaville	New Fire Training Facilities	\$ 12,206,806	
1	Vallejo	New Property Purchase	\$ 9,000,000	
2	Vallejo	New Career Technologies	\$ 7,292,565	
3	Vallejo	New Multi-Disciplinary Classroom/Lab Building	\$ 29,207,320	
4	Vallejo	Future Funding for Existing Vallejo Center Renovations/Projects	\$ 22,068,558	
Total \$, Campus/Center Priorities			<b>\$ 232,080,787</b>	<b>\$31,979,000</b>
Total \$, Measure Q			<b>\$ 348,000,000</b>	

Probable Costs indicated above include Campus-wide Infrastructure, Landscape, Contingencies, Design, Management Costs (soft costs)

66.7% of Meas Q



# Fairfield Campus

## Priority Projects

- Building 1200 Theatre, Music, Drama Renovation \$ 14,163,868
  - Measure Q Funds \$ 498,868
  - State Funding \$13,671,000
- NEW Student Forum \$ 3,947,759
- NEW Library + Academic Success Center \$ 37,869,646
  - Measure Q Funds \$19,561,646
  - State Funding \$18,308,000
- NEW Science and Math \$ 30,763,512
- Building 1800A – Vocational Technologies \$ 16,691,401

# Building 1200 Theatre, Music, Drama Renovation



Building 1200 Theatre, Music, Drama Renovation      \$ 14,163,868

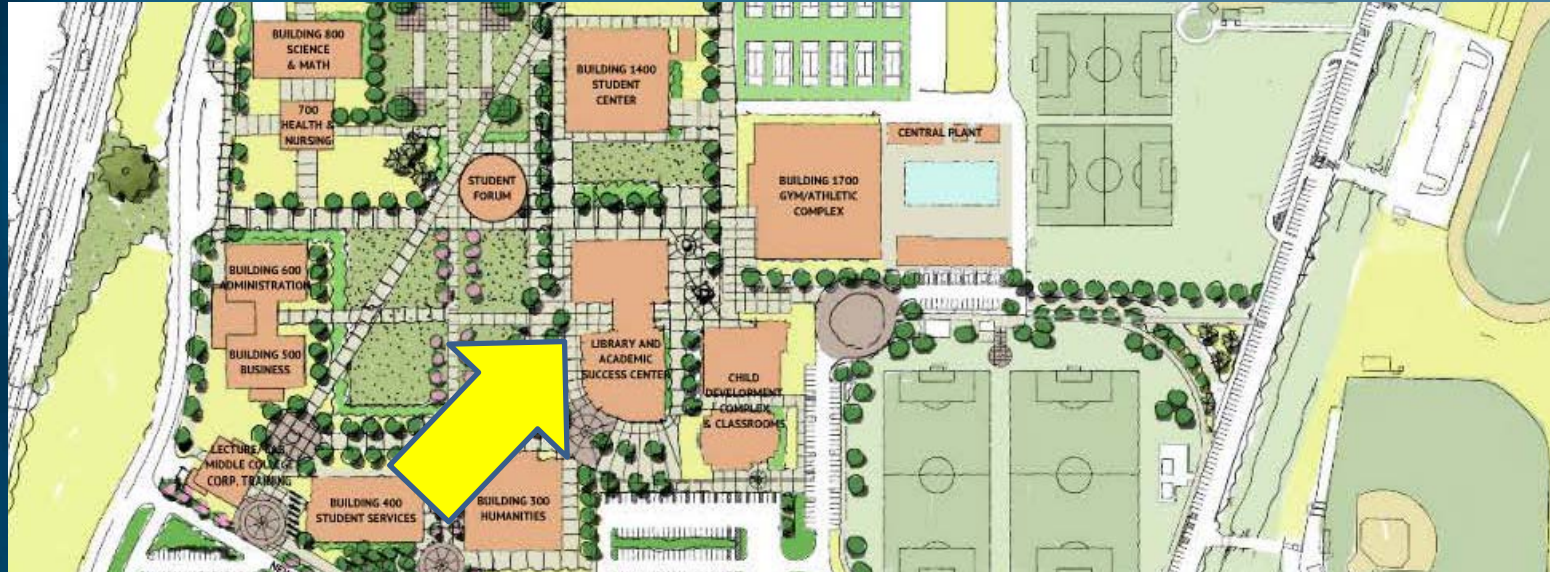
- Measure Q Funds      \$ 498,868
- State Funding      \$13,671,000

# NEW Student Forum



NEW Student Forum      \$ 3,947,759

# NEW Library + Academic Success Center



## NEW Library + Academic Success Center

\$ 37,869,646

- Measure Q Funds \$19,561,646
- State Funding \$18,308,000

# NEW Science and Math



- NEW Science and Math

\$ 30,763,512



# Building 1800A – Vocational Technologies



- Building 1800A – Vocational Technologies      \$ 16,691,401

# Fairfield Campus

DRAFT Probable Costs, Priority Projects

## Facilities Master Plan, Solano Community College

		Measure Q	State Funding
1 Fairfield	Building 1200 Theater, Music Drama Renovation	\$ 492,868	\$ 13,671,000
	Central Plant Building	\$ 4,832,563	
2 Fairfield	NEW Student Forum	\$ 3,947,759	
	NEW Classroom Building/Middle College	\$ 7,292,966	
	Building 700 - Health & Nursing	\$ 10,460,316	
	Building 800 Demolition	\$ 243,330	
4 Fairfield	NEW Science and Math	\$ 30,762,512	
	Bldg 201 Child Development Center (ECE) #2 Demolition	\$ 20,778	
	Building 1500 Demolition	\$ 236,880	
3 Fairfield	NEW Library + Academic Success Center	\$ 19,561,646	\$ 18,308,000
	Building 100 Demolition	\$ 1,073,514	
5 Fairfield	<i>Building 1800A - Vocational Technologies</i>	\$ 16,691,404	
	<i>NEW Horticulture Building</i>	\$ 12,100,330	
	<i>Building 1000 Demolition</i>	\$ 57,384	
	<i>Building 1600 Demolition</i>	\$ 206,853	
	<i>NEW Maintenance &amp; Operations Complex &amp; Storage</i>	\$ 14,203,854	



# Vallejo Center

## Priority Projects

- NEW Property Purchase \$ 9,000,000
- NEW Career Technologies \$ 7,292,565
- NEW Multi-Disciplinary Classroom/Lab Bldg \$ 29,207,320
- Future Renovations/Projects \$ 22,068,558

# Vallejo Center



Work Product of STV | VBN



# Vacaville Center



Work Product of STV | VBN



# Vacaville Center

## Priority Projects

- NEW Multi-Science and BioTech Building \$ 29,870,125
- NEW Corporate Training Center & Aeronautics \$ 14,532,834
- Agriculture Building & M&O Facility \$ 16,594,514
- Future Renovations/Projects \$ 19,851,876
- NEW Fire Training Facilities \$ 12,206,806

# Vacaville Center



- NEW Multi-Science and BioTech Building \$ 29,870,125
- Agriculture Building & M&O Facility \$ 16,594,514



# Vacaville Center



- NEW Fire Training Facilities

\$ 12,206,806

# Master Plan Review

## Next Steps:

Additional studies required:

- Accessibility
- Security/Safety + Traffic
- Technology
- Infrastructure Assessment
- Signage/Wayfinding
- Tree Survey

Implementation Planning:

- Continued Analysis of Project Cost & Implementation
- Collaboration with Program Manager (TBD)
- Design and Sustainability Guidelines
- District Standards (products, materials)

## Post-Bond Procedural Matters

- Certify Election Results
- Bond Oversight Committee
  - Prop 39 Requirements
  - Role and Responsibilities
  - Members required
  - Selection process
- Selling the Bonds
- Managing the Bond Program



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Presentation to Governing Board  
Regarding Measure Q General Obligation Bond Program

**Bond  
Underwriters:**

PiperJaffray®



RBC Capital Markets®

**Financial  
Advisor:**



January 23, 2013

## Overview of Measure Q Bond Program

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- **Approved by Voters on November 6, 2012**
  - **Passage Rate: 63.5%**
  - **Total Program Size: \$348,000,000**
  - **Estimated Tax Rate: \$18.99 per \$100,000**
  - **Bonds to be Sold in Phases Over Time**
  - **Timing and Amount of Each Bond Series Determined by:**
    - **District's Capital Facility Cash Flow Needs**
    - **District's Assessed Valuation Performance**
    - **Market Interest Rates**
    - **Projected Tax Rates**
  - **Refinancing of a Portion of Measure G Bonds Planned to be Done Concurrently with First Issuance of Measure Q Bonds**
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## Original Measure Q Bond Plan at Time of Election

<b>\$18.99 Tax Rate</b>				
<b>Funding \$348 Million of Projects over 15 Years</b>				
Total Bond Authorization	\$348,000,000			
Issue Summary	<u>Issue Date</u>	<u>Term</u>	<u>Issue Size</u>	<u>Payback Ratio</u>
Series A	April 2013	25-Years	\$87,000,000	1.69 : 1
Series B	August 2018	30-Years	\$87,000,000	2.09 : 1
Series C	August 2023	30-Years	\$87,000,000	3.17 : 1
Series D	August 2028	35-Years	<u>\$87,000,000</u>	4.94 : 1
	Total Program		\$348,000,000	2.97 : 1
Total Length of Tax	50 Years			
Total Payback Ratio	2.97 : 1			
Assumed Assessed Valuation Growth Rate				
Fiscal Year 2012-13	0.00%			
Fiscal Year 2013-14	1.00%			
Fiscal Year 2014-15	2.00%			
Fiscal Year 2015-16	3.00%			
Fiscal Year 2016-17 and After	4.00%			
Projected Tax Rate (Per \$100,000 Assessed Valuation)	\$18.99			

# Proposed Legislative Changes to Education Bond Issuance Provisions

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## 1. Bond Series Maximum Repayment Term

Current Parameter  
**Maximum Bond Repayment Term = 40  
Years**

Proposed Parameter  
**Maximum Bond Repayment Term = 25  
Years**

**Original Measure Q Plan**  
**Maximum Bond Repayment Term = 35  
Years**

## 2. Bond Maximum Interest Rate

Current Parameter  
**Maximum Bond Interest Rate = 12%**

Proposed Parameter  
**Maximum Bond Interest Rate = 8%**

**Original Measure Q Plan**  
**Assumed Interest Rates = 4.5%-6.5%**

## 3. Bond Maximum Repayment Ratio

Current Parameter  
**Maximum Repayment Ratio = None**

Proposed Parameter  
**Maximum Repayment Ratio = 4:1**

**Original Measure Q Plan**  
**Repayment Ratio = 2.97 : 1**

## 4. Call Feature for Capital Appreciation Bonds (CABs)

Current Parameter  
**None Required**

Proposed Parameter  
**Required for CABs Maturing after 10  
Years**

**Original Measure Q Plan**  
**Assumed Call Feature for CABs**

## 5. Consents Needed to Exceed Parameters

Current Parameter  
**None Required**

Proposed Parameter  
**1. County Board of Supervisors; or**  
**2. County Superintendent of Schools**

**Original Measure Q Plan**  
**Not Applicable**

## Impact of Proposed Legislation on Original Measure Q Bond Plan

	<b>Original Plan</b>				<b>Original Plan Revised to Comply with Proposed Legislation</b>			
	<b>\$18.99 Tax Rate</b>				<b>\$18.99 Tax Rate</b>			
	<b>Funding \$348 Million of Projects over 15 Years</b>				<b>Funding \$348 Million of Projects over 19 Years</b>			
Total Bond Authorization	\$348,000,000				\$348,000,000			
Issue Summary	<u>Issue Date</u>	<u>Term</u>	<u>Issue Size</u>	<u>Payback Ratio</u>	<u>Issue Date</u>	<u>Term</u>	<u>Issue Size</u>	<u>Payback Ratio</u>
Series A	April 2013	25-Years	\$87,000,000	1.69 : 1	April 2013	25-Years	\$87,000,000	1.69 : 1
Series B	August 2018	30-Years	\$87,000,000	2.09 : 1	August 2018	25-Years	\$87,000,000	1.92 : 1
Series C	August 2023	30-Years	\$87,000,000	3.17 : 1	August 2025	25-Years	\$87,000,000	2.57 : 1
Series D	August 2028	35-Years	<u>\$87,000,000</u>	4.94 : 1	August 2032	25-Years	<u>\$87,000,000</u>	3.10 : 1
	Total Program		\$348,000,000	2.97 : 1	Total Program		\$348,000,000	2.32 : 1
Total Length of Tax	50 Years				44 Years			
Total Payback Ratio	2.97 : 1				2.32 : 1			
Assumed Assessed Valuation Growth Rate								
Fiscal Year 2012-13	0.00%				<b>-0.16% (Actual)</b>			
Fiscal Year 2013-14	1.00%				1.00%			
Fiscal Year 2014-15	2.00%				2.00%			
Fiscal Year 2015-16	3.00%				3.00%			
Fiscal Year 2016-17 and After	4.00%				4.00%			
Projected Tax Rate (Per \$100,000 Assessed Valuation)	\$18.99				\$18.99			



## Sample Updated Measure Q Bond Option

<b>\$18.99 Tax Rate</b>				
<b>Funding \$348 Million of Projects over 22 Years</b>				
Total Bond Authorization	\$348,000,000			
Issue Summary	<u>Issue Date</u>	<u>Term</u>	<u>Issue Size</u>	<u>Payback Ratio</u>
Series A	April 2013	35-Years	\$120,000,000	2.35 : 1
Series B	August 2018	25-Years	\$70,000,000	1.76 : 1
Series C	August 2026	25-Years	\$70,000,000	2.78 : 1
Series D	August 2035	25-Years	<u>\$88,000,000</u>	3.29 : 1
	Total Program		\$348,000,000	2.55 : 1
Total Length of Tax	47 Years			
Total Payback Ratio	2.55 : 1			
Assumed Assessed Valuation Growth Rate				
Fiscal Year 2012-13 (Actual)	-0.16%			
Fiscal Year 2013-14	1.00%			
Fiscal Year 2014-15	2.00%			
Fiscal Year 2015-16	3.00%			
Fiscal Year 2016-17 and After	4.00%			
Projected Tax Rate (Per \$100,000 Assessed Valuation)	\$18.99			

## Preliminary Financing Schedule for Measure Q Series A Bonds

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<b>January 23, 2013</b>	<b>Presentation to Board Regarding Measure Q Bond Options</b>
<b>February 6, 2013</b>	<b>District Board Meeting to Approve Bond Resolution</b>
<b>Late February, 2013</b>	<b>Meetings with Credit Rating Agencies in San Francisco</b>
<b>Early March, 2013</b>	<b>Receipt of Bond Ratings</b>
<b>Mid-March, 2013</b>	<b>Sale of Measure Q Series A Bonds</b>
<b>April 9, 2013</b>	<b>Closing of Measure Q Series A Bonds</b>

# Managing Measure Q

- Definitions

- Program Management

- Management of a multi-project construction program

- Project Management

- Management of a single project

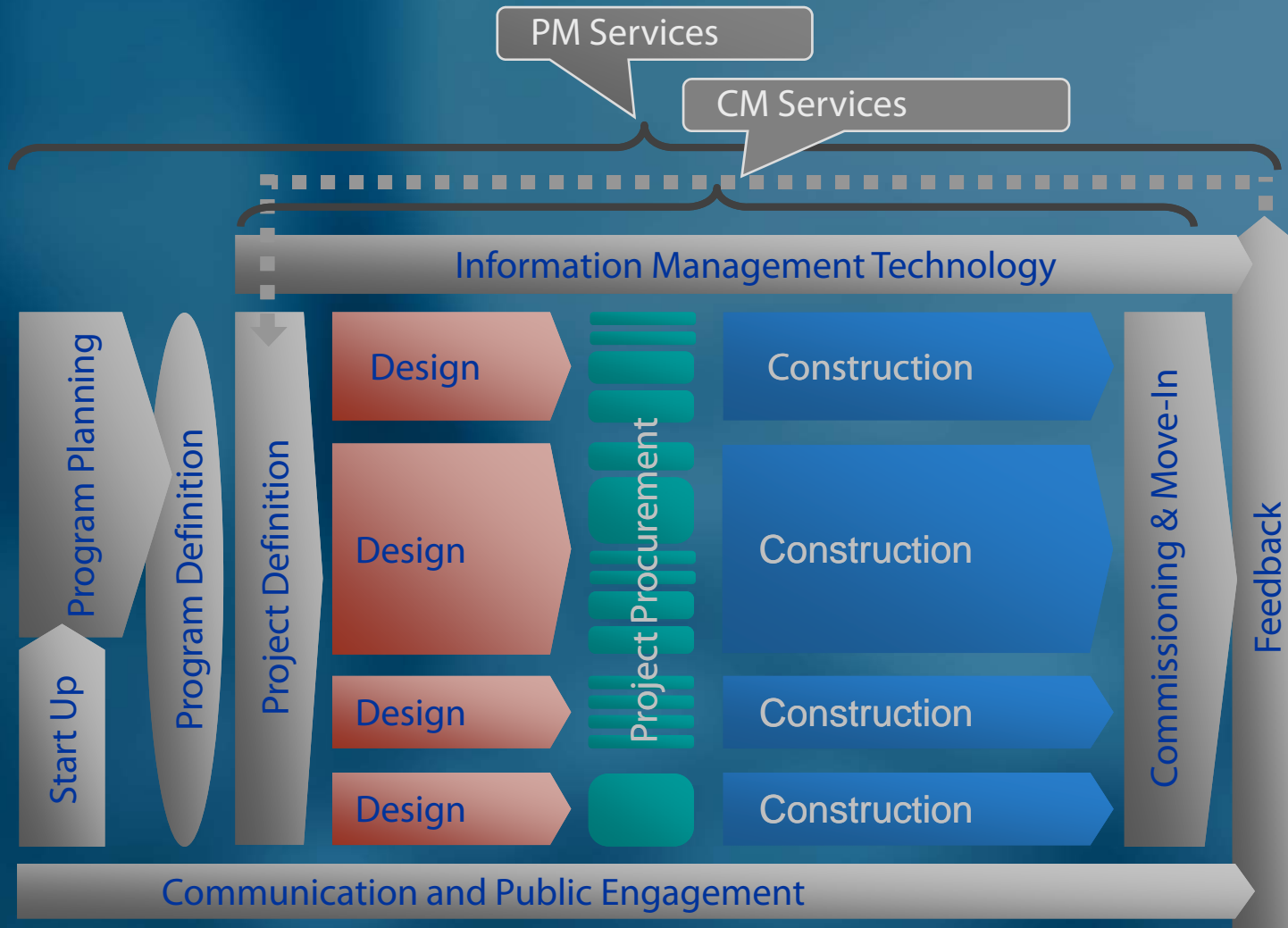
- Construction Management

- Management of construction phase of a project

- Design Team

- Architects, engineers, landscape architects, etc.

# PM/CM Process





# **MEASURE Q NEXT STEPS**

Special Governing Board Meeting  
23 January 2013

Yulian Ligioso  
Vice President Finance & Administration

# MEASURE “Q” ACTION PLAN

## Next 30-days

- Solicit Program Management Services. Solicit and interview candidates.
- Develop roles and responsibilities matrix.
- Determine cash flow needs prior to first bond sale (Presume first bond sale is April 2013).
- Identify existing Obligations to be refinanced.
- Scope and Quality Standards. Finalize first Phase of educational specifications (Facility Master Plan) to guide architects/designers.
- Develop/Implement Prioritization Methodology. For budgeting, scheduling and scoping projects to be completed as outlined in the material presented to the voters.
- Potential Project Labor Agreements
- Begin the selection process for architectural services.
- Begin the environmental review process for each campus.
- Begin the selection process construction management services (internal preparation).
- Review varying Construction Delivery Methods
- Develop project planning guide.

## Next 60-days

- ◆ Solano Community College District Board of Trustees to accept and certify election results (February 6).
- Board of Trustees approval of oversight committee by-laws (February 20).
- Solicit applications and appoint oversight committee.
- Determine physical location for housing Project Management Team.
- Review Request for Proposal for Program Management firm

- ◆ Begin developing standardized RFQs/contracts for:
  - Testing and inspection services
  - Civil engineering
  - Geo technical services
  - Hazardous material services
  - CEQA document preparation services
  - Architects and other professional services as needed

## Next 90 Days

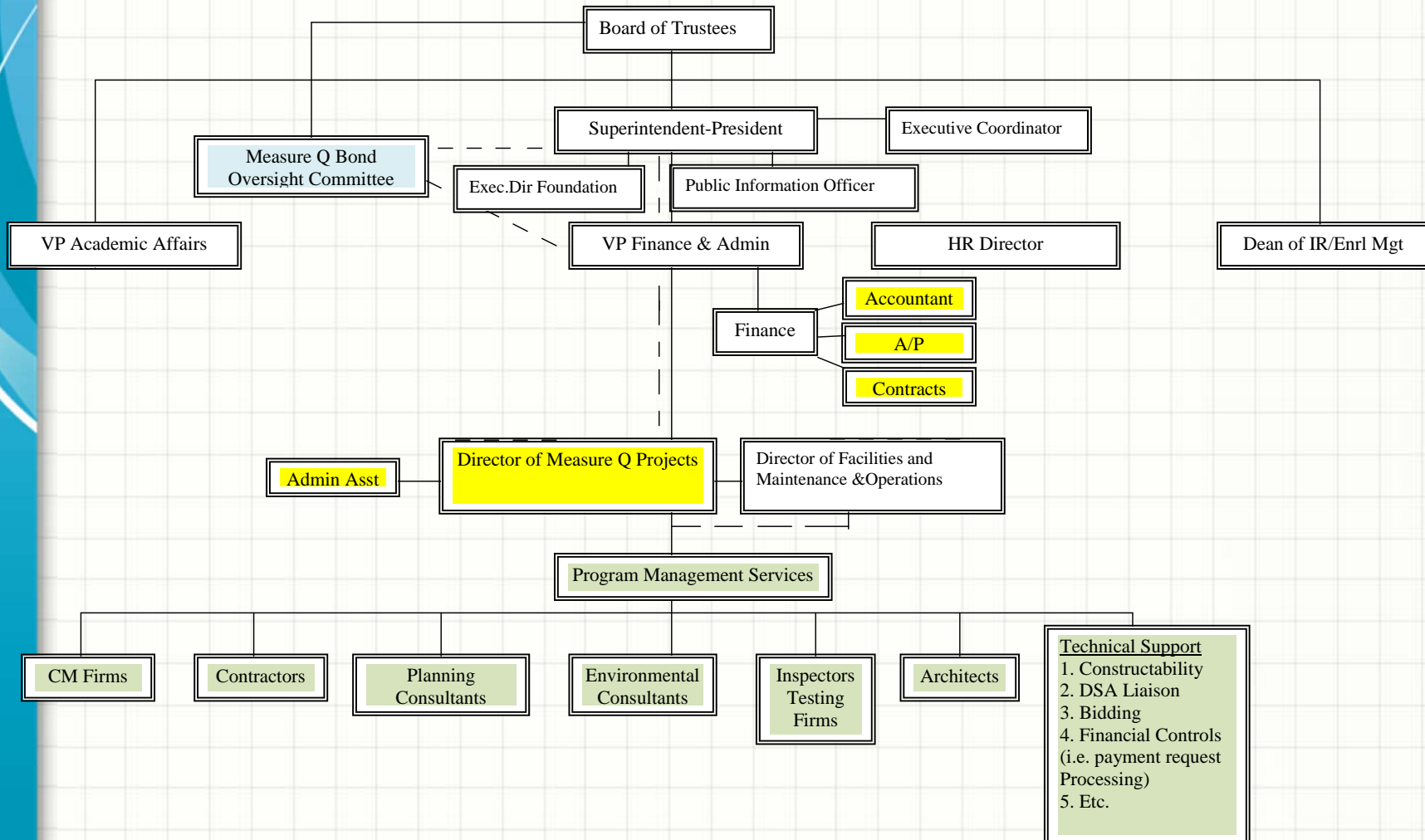
- Conduct Oversight Committee orientation meeting.
- Board approves Program Management Agreement.
- Reconcile cash flow needs to bond sales (execute first bond sale).
- Examine in detail the aspect of lead campus architect.
- Update contract documents (i.e. architects/engineers, construction, testing & inspection, etc.).
- Review and revise contracting and purchase order procedures.
- Review/revise payment processing and check preparation procedures.
- Develop labor compliance procedures.
- Develop construction contractors guide (pre-qualifications, processes and procedures, dissemination of information, etc.).
- Establish Measure “Q” web page.



## Long Term

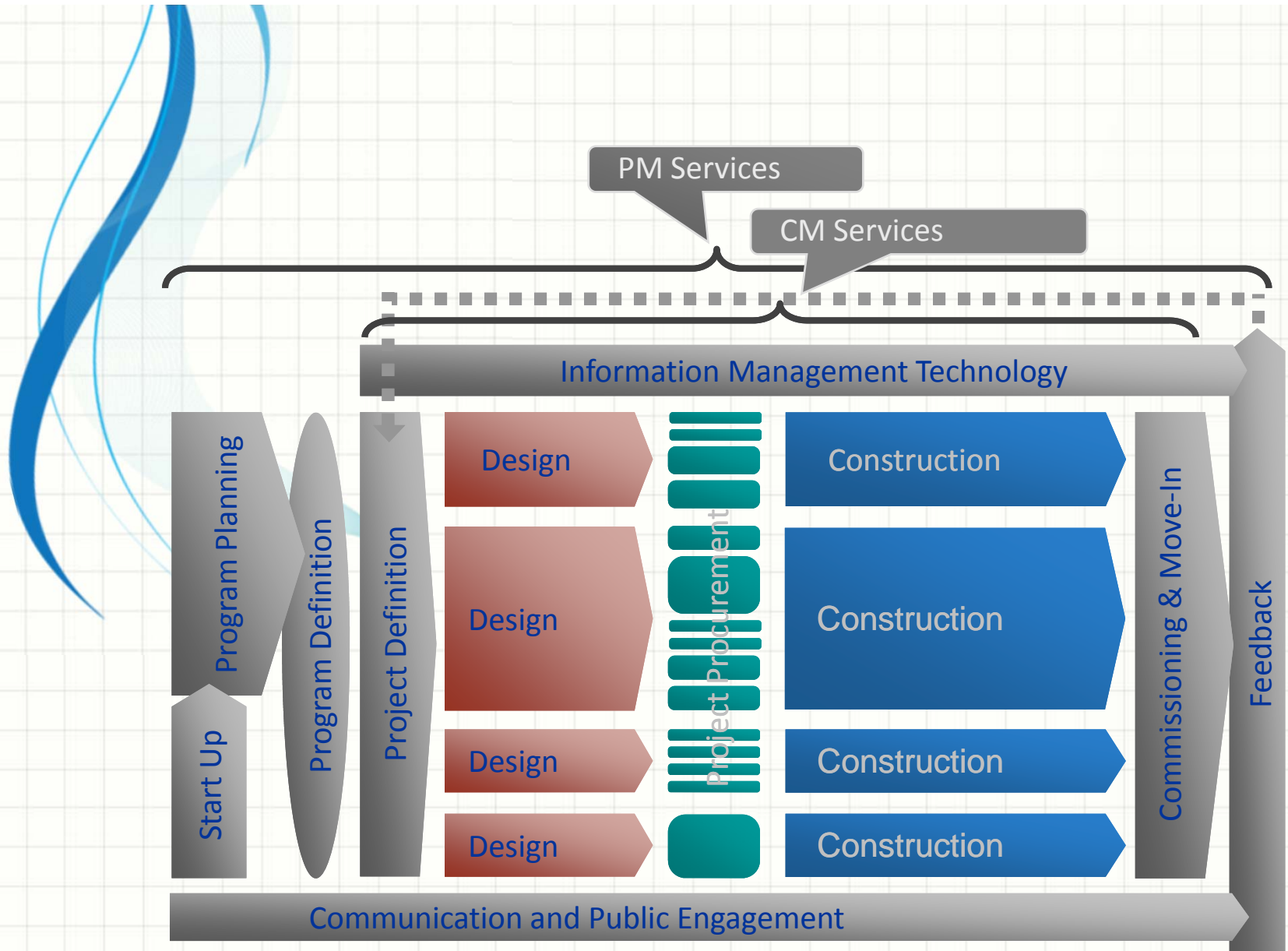
- Review and document existing procedures (within context of program orientation).
- Document program management procedures.
- Establish performance audit procedures.
- Select and implement management control systems.
- Establish fiscal audit procedures.
- Develop and implement fiscal control systems.
- Develop and implement status reporting plan.
- Examine and develop planned program maintenance (Plan for each campus).
- Develop interim housing plan (in conjunction with phasing of projects)
- Develop sustainable design criteria.
- Examine/revisit energy and water management policies (consider new design criteria).
- Develop/implement ongoing construction coordination plan (examine long-term maintenance and routine maintenance criteria).

- Measure Q – Proposed Planning Matrix





# Consultant Support Levels





# PM/CM PRE-QUALIFICATION

- Firm Information and Overview
  - Personnel
  - Partners & Consultants
  - Project History & Experience
  - References
  - Litigation/Claims/Disqualification
- 
- PM/CM RFP in Feb/Mar
  - Recommend PM in March

# Internal Staff Levels

- 5 Additional Positions specific to Measure Q
  - Director of Measure Q Facilities Planning (\$82k-\$103k)
  - Administrative Assistant III (\$42k-\$50k)
  - Contracts Specialist (\$43k-\$52k)
  - Accountant (\$54k-\$65k)
  - Accounts Payable (\$43k-\$52k)
- Annual Financial Impact \$356k-\$435k, salaries and benefits
- Updated job descriptions to March Board

# Questions

