

Evergreen Valley College Campus Forum

April 7, 2015
2:00 p.m. to 4:00 p.m.
Gullo II

Forum Presenters:

- ▶ Dr. Rita M. Cepeda
Chancellor, San José-Evergreen Community College District
- ▶ Doug R. Smith
Vice Chancellor of Administrative Services, San José-Evergreen Community College District
- ▶ Henry Yong
President, Evergreen Valley College
- ▶ Jim Eller
District Legal Counsel, James Eller & Associates
- ▶ Sam Ho (Moderator)
Director of Community Relations, San José-Evergreen Community College District

Land Development EVC Campus Forum

April 7, 2015

Rita M. Cepeda, Ed.D.

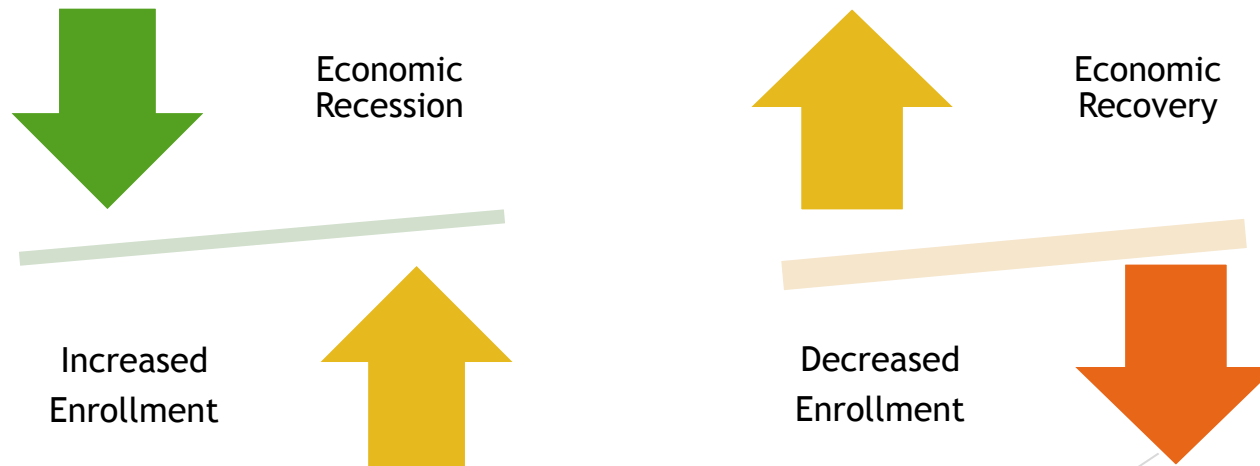
Chancellor



WHY ARE WE SEEKING TO DEVELOP THE 27 ACRES?

Fiscal Stability: Long and Short Term

Creation of a “Student Opportunity Fund” designed to counter the economic funding shifts and cycles experienced by education.

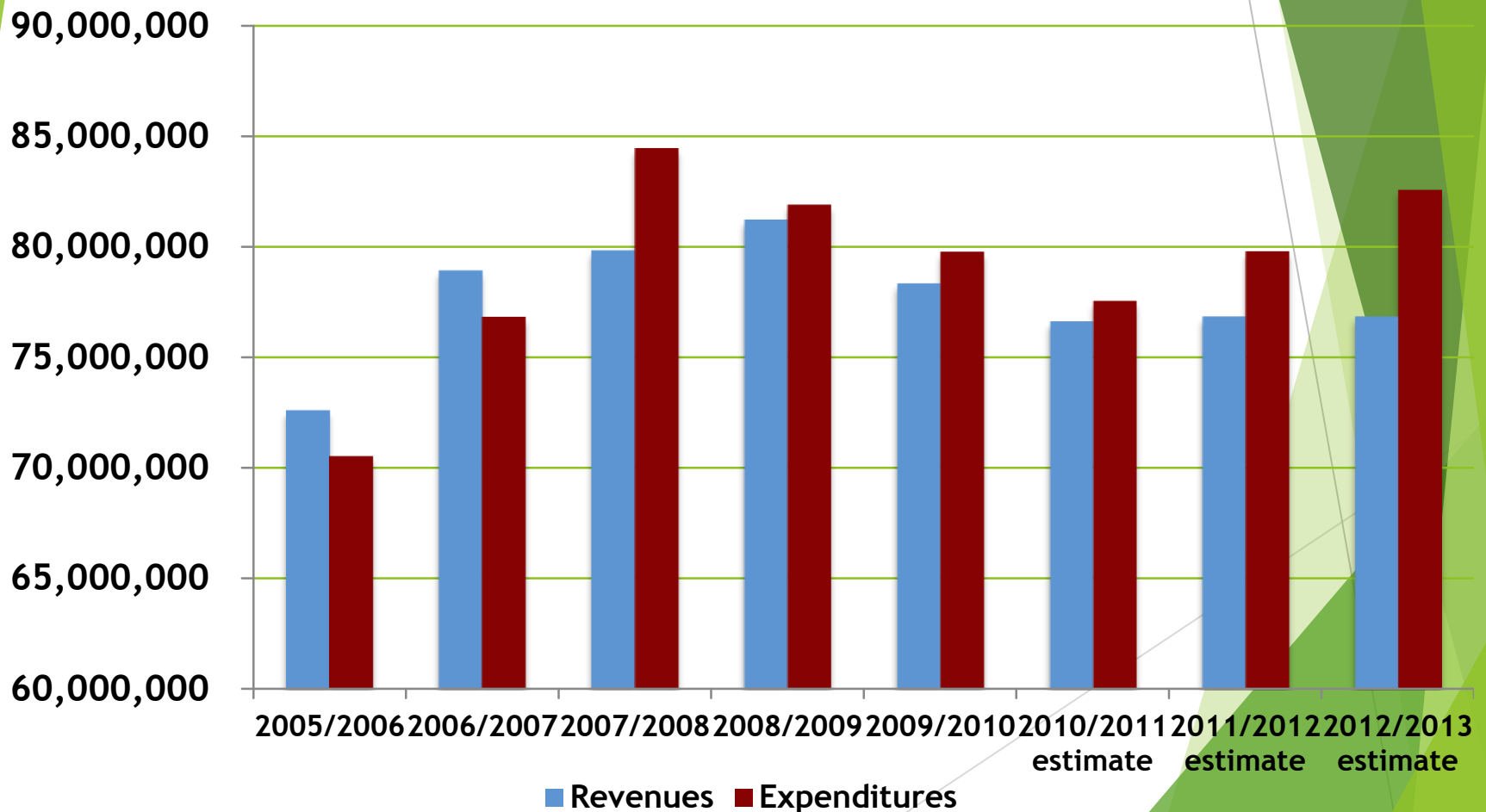


SJECCD BUDGET IMPACT STORY

- ▶ **2009** - District is placed on “fiscal watch” because of an ongoing structural imbalance. FCMAT (Fiscal Crisis Management Assistance Team) is assigned by the State Chancellor’s Office to SJECCD.

- ▶ **2010 - Accreditation Commission Standard III.D - Fiscal Resources: Two Negative Findings**
 1. Financial solvency; and
 2. Long-term financial health of the district

Structural Imbalance: Revenues & Expenditures – General Fund 10 (p.17)



COMPOUNDED CRISIS: The State Recession and Budget Cuts

Between 2008/09 and 2011/12: Due to severe budget cuts, California Community Colleges enrollment decreased by more than 485,000 students in three academic years.

Colleges were forced to:

- ▶ Reduce course offerings by roughly 15 percent, resulting in hundreds of thousands of students being turned away Statewide
- ▶ Increase class size
- ▶ Lay off managers, classified staff and adjunct faculty
- ▶ Institute furloughs
- ▶ Spend down reserves and borrow money to manage cash flow

BUDGET CRISIS IMPACT ON SJECCD

- ▶ Our share of the state \$290M reduction was approximately **\$3.5 million**.
- ▶ It was estimated that our student headcount would be reduced by 2,200 students (from 37,000 to 34,800), an equivalent of **750 FTES** and an additional **\$1million loss** in state apportionment.

SJECCD BOARD RESPONSE

- A. **Board approved 7% Reserve Level for 2011-2012** to address ongoing structural imbalance as well as create a small stability cushion over 5% minimum requirement.
 - This action also addressed two **accreditation** findings focused directly on “financial solvency” and the “long-term financial health” of the district.
- B. **Immediate Strategies:** To Identify \$4.5M in permanent reductions in a fair/equitable manner. These reductions were to be obtained in one of two ways:
 - ▶ Workload Reductions
(mandated by the state in the amount of 750 FTES = \$1million), AND
 - ▶ Reduction in Force \$3.4 million, AND/OR
 - ▶ Negotiated concessions that reduce salaries and benefits

SJEC CD BOARD RESPONSE

(Cont'd)

C. Long-term Strategies over 3-5 Years:

1. Resource Development

- ▶ **Public Private Partnerships (Surplus Land Development)**
- ▶ Increased Grantsmanship
- ▶ Development of SJEC CD Foundation

2. Identify Cost Savings

(e.g. Bond Project Energy Costs Savings)

What space goes away with the demolition of Acacia and Roble Buildings and what space comes on line with the new buildings?

Current EVC Campus Total ASF (usable space) 319,744*

Current Acacia and Roble

Acacia	59364
Roble	32369
TOTAL	<u>91733</u>

In Construction or Planned

Automotive Technology - (in construction)	20086***
South Campus (Phase 1) - (in construction)	
Math/Science & Social Science	45480**
PE/Fitness Center	6867**
Total South Campus Phase I	52347
Total Currently Under Construction	<u>72433</u>
Engineering & Applied Technology (FPP)	21010*
TOTAL	<u>93443</u>

Future Development Plans

South Campus (Phase 2) - (in planning)	TBD
South Campus (Phase 3) - (in planning)	TBD

Campus Acreage	130 acres
Evergreen Marketplace (Commercial)	6 acres
Surplus Land Development	27 acres

Resources for the above information: *State Chancellor's Office FUSION System Data, State funding dependent with local match requirement;

HMC Architect's JCAF 31, dated 3.16.15; *Lionakis, 012044 EVCAT ASF Table

OTHER FACTORS

A. Campus Footprint – 130 Acres

- ▶ The 27 Acres are outside that footprint

Land Purchase began in 1967 and was not done through the use of any “bond” dollars.

B. EVC’s Educational Master Plan

- ▶ Draft Completed and Ready for Review (April)

C. 2020 and Beyond

D. Campus Footprint

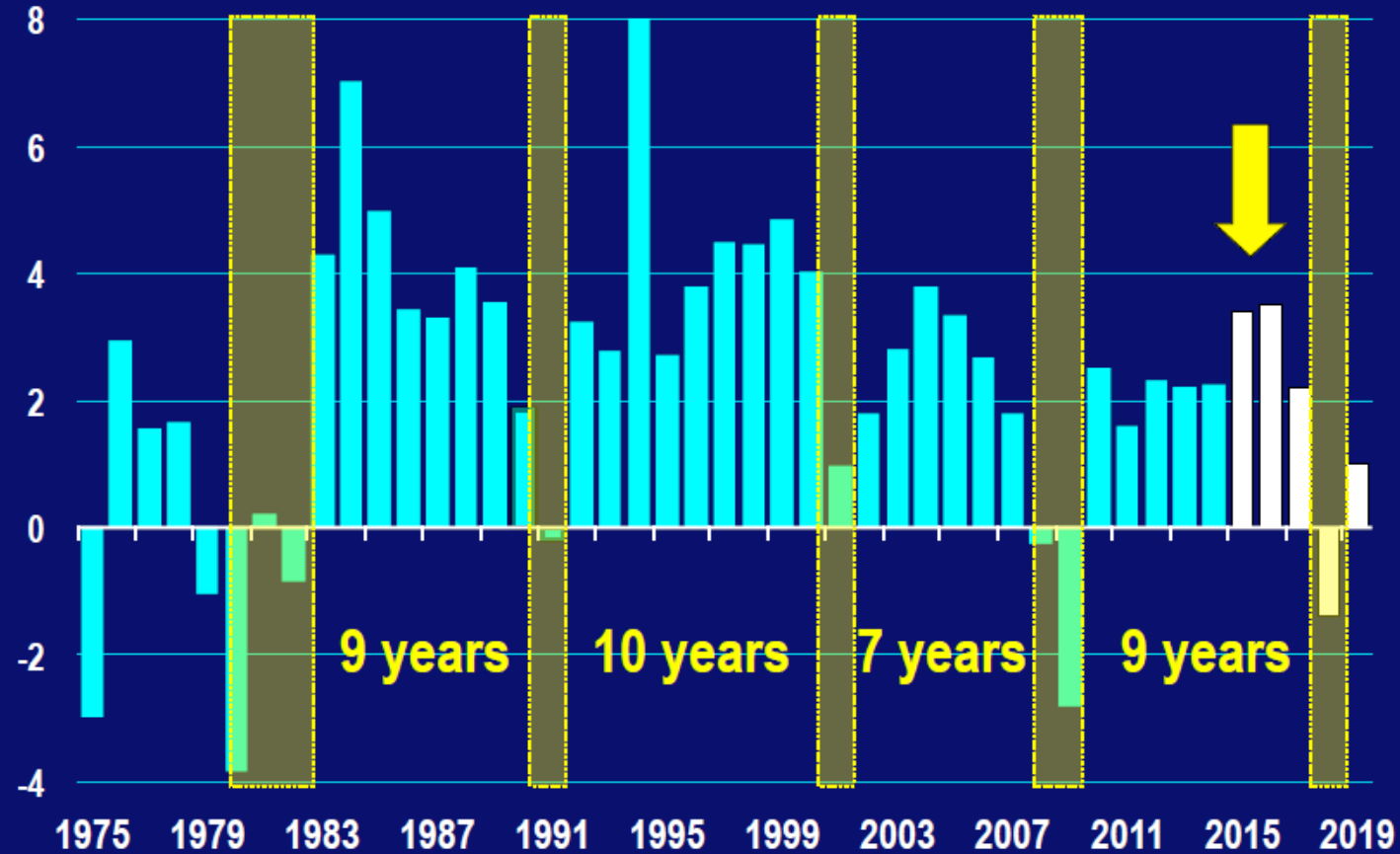
- ❖ Uses of North Campus Land (parking, fields but not buildings)
- ❖ Future Parking Concerns
- ❖ Increased Access to Public Transportation

THIS IS NOT THE END OF A PROCESS
—
IT IS THE BEGINNING

Real Gross Domestic Product Growth / U.S.

percent

1975 - 2019



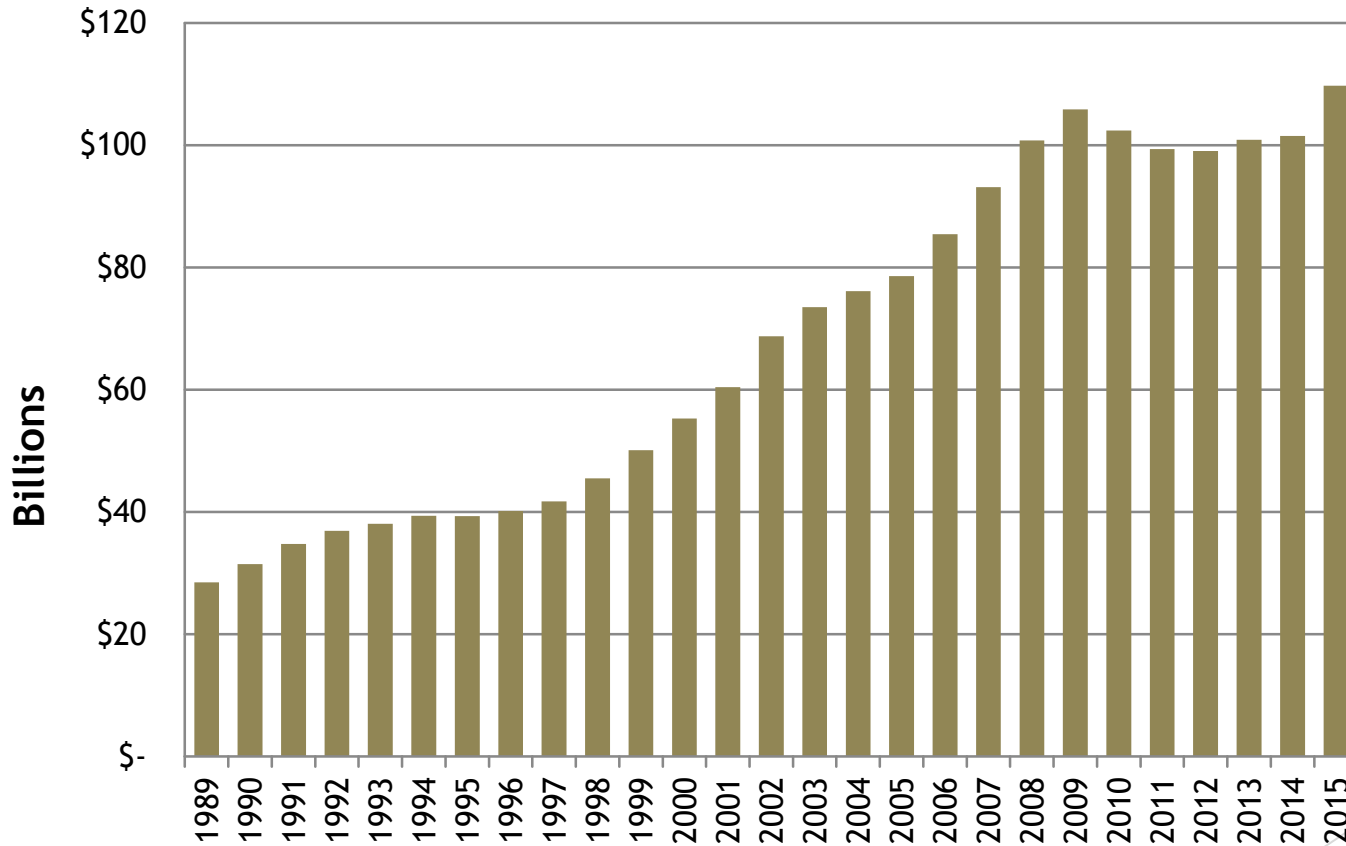
Source:

Presentation by: Mark Schniepp, Ph.D., Director, California Economic Forecast

GDP is commonly used as an indicator of the economic health of a country, as well as to gauge a country's standard of living.

District Assessed Value

1989 - 2014



The Footprint

April 7, 2015

Doug R. Smith

Vice Chancellor of Administrative Services



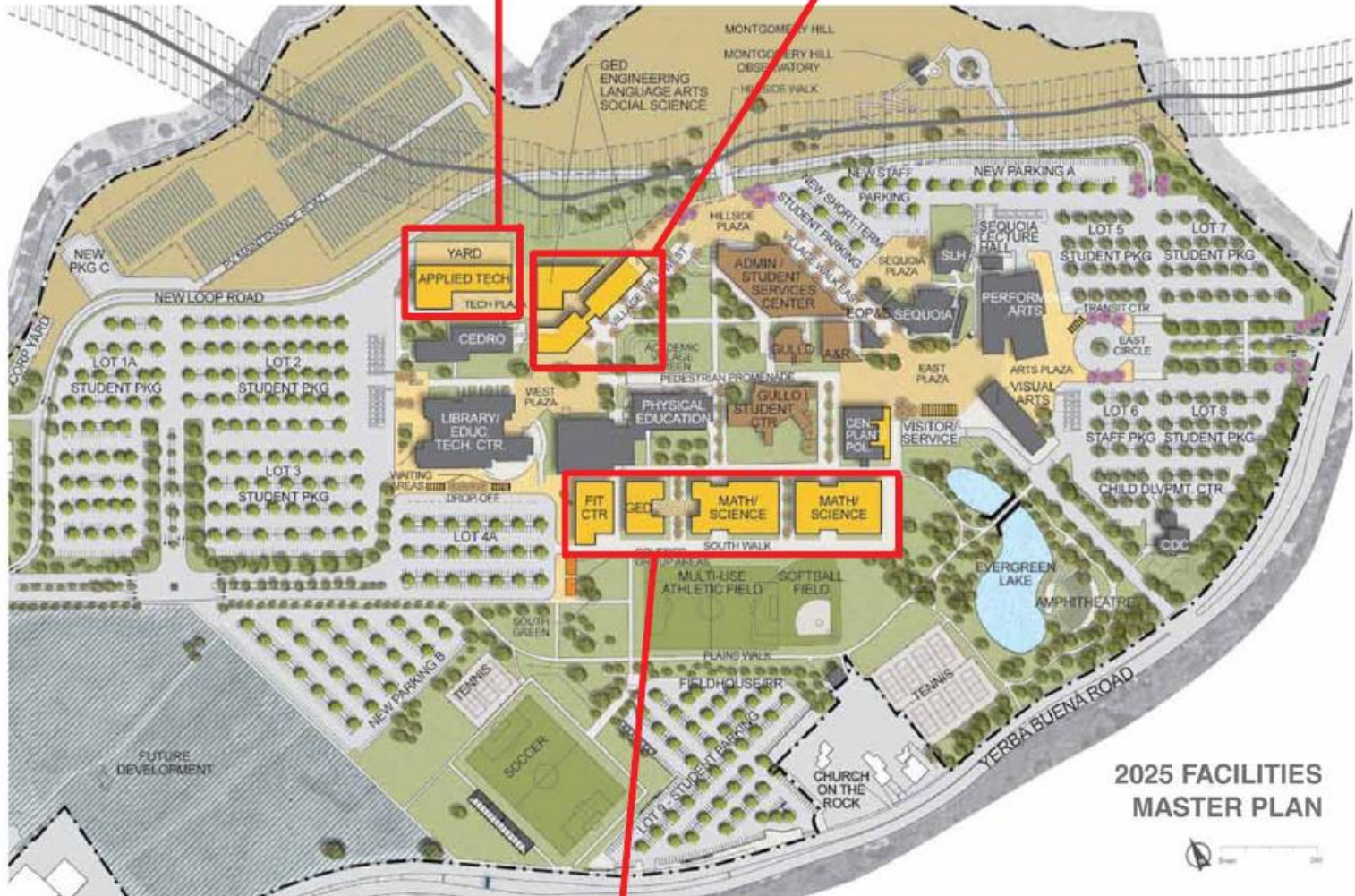


Campus Map
November 2011

CURRENT UPDATE
TO FALL 2011 FMP

AUTOMOTIVE
TECHNOLOGY
BUILDING
(IN CONSTRUCTION)

FUTURE SITE
ENGINEERING &
APPLIED TECHNOLOGY BUILDING
(IN PLANNING) SJECCD Evergreen Valley College



SOUTH CAMPUS

PHASE I
FITNESS CENTER
MATH/SCIENCE
(IN CONSTRUCTION)

PHASE II
IN PLANNING

PHASE III
IN PLANNING

**2025 FACILITIES
MASTER PLAN**



2025 Facilities Master Plan // Updated Fall 2011 // HMC Architects + Joni L. Jannecki & Associates 17

••PLEASE NOTE - THIS IS A CONCEPTUAL UPDATE TO THE 2011 FACILITIES MASTER PLAN. SOME UPDATES ARE ACTUALLY UNDERWAY, OTHERS ARE IN PLANNING.

SJECCD 03-21-2015

Factors

- ▶ The land purchase began in 1967 and was not done through the use of any “bond” dollars.
- ▶ Educational Master Plan: Draft completed and ready for review in April/May.
- ▶ Facility Master Plan: Draft completed over the summer and ready for review in the Fall.
- ▶ EMP/FMP contract with Cambridge West Partnership, LLC, Managing Director, C.M. Brahmbhatt.
- ▶ The 27.1 Acres was declared surplus by the Board of Trustees unanimously in 2004.

Factors

- ▶ In 2011 Roble and Acacia were determined to be within the zone of an “active” fault line.
- ▶ All future planning efforts should consider efficiency of space – classrooms should be right sized.
- ▶ To maximize depth & breadth of programs, we need more efficient classrooms vs. oversized classrooms.
- ▶ Cambridge West *“it’s all about efficiency and proper use of your space. You have adequate capacity to 2030 and will have adequate footprint through the term of the Land Project”*.
- ▶ Parking should be brought closer to the classrooms, beyond 2030 may require decking, multi-layer, or a garage. Vertical, efficient use of space.
- ▶ New buildings will come on line while Roble and Acacia remain functioning.

Factors

- ▶ When Roble and Acacia are demolished, parking or fields can be located in this region of the campus.
- ▶ Basic needs are for a general classroom building for the future.
- ▶ EMP/FMP growth drivers leading to capacity assumptions will be based on the State Chancellor's growth estimates of 1.84% through 2030 per Cambridge West.
- ▶ Key: Space utilization - you have plenty of space for your long term needs, which must be properly planned and efficiently used.
- ▶ California Community College Standards state that there are no set numbers, but in general the standard has been that each campus should have a minimum of 60 or more acres in order to provide all necessary services, meaning sports fields, parking, open quads and growth.
- ▶ Cambridge West, "there is plenty of acreage for the long term future".

Additional Project Information and Community Concerns

April 7, 2015

Panel Members

Chancellor Rita Cepeda

Vice Chancellor Doug Smith

President Henry Yong

Legal Counsel Jim Eller



Additional Project Information and Community Concerns

1. Why this land development project?

- ▶ Land not needed now or in the future for EVC
- ▶ Turn land asset into College and District financial benefit
- ▶ 40 years = \$0 dollars
- ▶ Minimum \$1.5m plus per year, each 10 years \$15m plus

Additional Project Information and Community Concerns

2. The Process

- ▶ Land declared surplus in 2004
- ▶ 3 years Board study, financial analysis, public discussions, subcommittee work, various actions
- ▶ First public status update to Board of Trustees – March 13, 2012
- ▶ Subsequently, many public Board meetings and Board Subcommittee updates and reviews

Additional Project Information and Community Concerns

The Process (cont'd.)

- ▶ Multiple formal actions
 - ▶ Consultant contracted to evaluate land marketability – December 2011
 - ▶ Approval of RFP (Request for Proposal) – April 2013
 - ▶ Request bid waiver – May 2014
 - ▶ Approve non-binding letter of intent – December 2014
 - ▶ Adopt resolution calling for proposals for land lease, in accordance with all applicable laws, to lease surplus land under specific minimum terms and conditions, 15 page resolution, bids to be opened – April 14, 2015

Additional Project Information and Community Concerns

The Process (cont'd.)

- ▶ The process for requesting and accepting bids is set forth in the California Education Code.
- ▶ The Board of Trustees will open all bids on April 14, 2015. The Board is not required to accept any bid.
- ▶ If a bid is accepted, the District will negotiate for a long term ground lease.

Additional Project Information and Community Concerns

3. Who will decide what is built?

- ▶ The District has the right to approve the intended uses.
- ▶ The City of San Jose will review and approve all land use entitlements.
- ▶ The City has an extensive process.

Additional Project Information and Community Concerns

Who will decide what is built? (cont'd.)

- ▶ The City will review all environmental matters consistent with the requirements of the California Environmental Quality Act (CEQA), including traffic and noise.
- ▶ The City will evaluate the proposed use in conjunction with the Adopted General Plan and zoning for this surplus land.
- ▶ The City's process includes numerous public meetings.

Additional Project Information and Community Concerns

4. Will any public money be used to build the project?

- ▶ No, the selected developer will be responsible for all development costs.

Additional Project Information and Community Concerns

5. Are there plans to close EVC?

- ▶ No, there never was such a plan, and never will be.
- ▶ We continue to expand and modernize, with \$211 million (\$65 million from Measure G-2004, and \$146 million from Measure G-2010) allocated by the Board of Trustees for facility improvements.

Additional Project Information and Community Concerns

6. Guiding principles for development

- ▶ Distinctive sense of place
- ▶ Compatible, high quality
- ▶ Integrate/link development to EVC
- ▶ Enhance identity/image of EVC campus environment
- ▶ Engage EVC and community in the process
- ▶ Maximize revenue and enhance/preserve long term value of property

to help advance the mission of the District

Additional Project Information and Community Concerns

7. Wasn't the land acquired for the creation of EVC in the 1960's and 1970's?

- ▶ The land was to support the District mission within the District boundaries.
- ▶ The surplus land is considered an asset of the entire District.
- ▶ The Educational Master Plan and Facilities Master Plan determined the EVC footprint; 130 acres.
- ▶ EVC's footprint is considered adequate to meet all current and future college program and service needs as stated by Cambridge West Planners.

Additional Project Information and Community Concerns

8. As a Basic Aid District, funding is not driven by enrollment.

- ▶ True, property taxes are the primary driver for funding.
- ▶ Enrollment drives lottery funds, special support funds, categorical funds, etc.
- ▶ The State Chancellor's Office applies enrollment goals.

Additional Project Information and Community Concerns

Basic Aid (cont'd.)

- ▶ The District and Colleges strive to achieve enrollment targets in serving the community.
- ▶ Enrollment measures are monitored by accreditation agencies, federal financial aid compliance agencies, statewide requirements in general, and credit rating agencies.

Additional Project Information and Community Concerns

9. Jobs created by this project

- ▶ Beyond apprenticeship and construction opportunities, there will be more jobs for students to help sustain themselves and their families while enrolled.
- ▶ Some of these jobs will be entry level.

Additional Project Information and Community Concerns

10. How do our programs compare to other local community colleges?

- ▶ Footprint and capacity are a non-issue.
- ▶ Courses and programs are a matter of curriculum planning, classroom capacity, and faculty expertise.
- ▶ Recent cutbacks at EVC were economically driven.

Additional Project Information and Community Concerns

How do our programs compare to other local community colleges? (cont'd.)

- ▶ Program expansion is about new and additional resources.
- ▶ Footprint is adequate to meet EVC long term needs.
- ▶ Curriculum, new course and programs are monitored carefully by the State Chancellor's Office.
- ▶ Institutional compliance and quality are vetted through the accreditation process.

Additional Project Information and Community Concerns

11. Why are classes impacted at EVC?

- ▶ Impacted courses are primarily high demand, high cost areas.
 - ▶ (i.e. nursing and pre-allied health sciences, and some ESL programs)
 - ▶ Two Issues:
 - ▶ 1. Personnel availability, e.g. nursing faculty, MQ's
 - ▶ 2. Specialized lab and equipment requirements
- ▶ In the last two years, if there is high demand, new sections are opened with staggered start/end dates.

Additional Project Information and Community Concerns

12. How will the new revenue be spent? What will the oversight be?

- ▶ Compliant with Chancellor's Office fiscal standards
- ▶ All subject to external auditor review
- ▶ Oversight responsibility Board of Trustees, Chancellor, Vice Chancellor of Administrative Services
- ▶ Chancellors Cabinet includes College Presidents
- ▶ District Budget Committee includes constituent representatives
- ▶ College budget reviews
- ▶ Ultimately external auditors
- ▶ Leads to credit ratings, SJECCD among highest in the industry

Additional Project Information and Community Concerns

13. The building will obscure our view of the Evergreen hills, creating a permanent eyesore and terrible sightline.

- ▶ The SJECCD Board of Trustees has established explicit guidelines regarding the facilities that can be considered by the developer. One specific guideline reads as follows:
 - ▶ “Create a distinctive sense of place, compatible land uses, a high quality building space that serves as a destination for visitors, residents and employees”

Additional Project Information and Community Concerns

14. Existing Evergreen businesses will be crippled by the added retail.

- ▶ This was taken into account and was part of the studies commissioned by the SJECCD Board of Trustees in which a market analysis of existing businesses and the gap associated with other businesses and retail services was analyzed.

Resources

Handouts:

1. Today's Presentation
2. Frequently Asked Questions document

District Website Postings (www.sjeccd.edu):

1. 03/25/2015 EVC Campus Forum Presentation by Chancellor Cepeda
2. 03/25/2015 EVC Campus Forum Presentation by Vice Chancellor Smith
3. 03/29/2015 - Letter from Chancellor Cepeda to the Evergreen Valley College Community
4. 03/31/2015 Frequently Asked Questions
5. 04/01/2015 Additional Comments/Questions & Answers
6. 03/05/3015 Presentation to the District 8 Roundtable Meeting
7. 04/01/2015 Evergreen Community Forum Presentation
8. 04/02/2015 Budget Development Board Study Session Presentation
9. 04/02/2015 2014-2015 Second Quarter Budget Report
10. 04/02/2015 Resolution to Lease School Property



Campus Community Questions