



REGULAR MEETING AGENDA ITEM

TAB 7

October 30, 2009

Discussion **Action (Resolution 09-10-28)**

Topic

2010 Supplemental Capital Budget

Description

While supplemental budgets are generally reserved for emergent issues and technical corrections to the biennial budget, there are opportunities in this session to restore the priorities of our initial request and to seek additional support for projects skipped over or split between two biennia. Much of this is made possible by the failure of the Legislature to fully appropriate State Board available capital funds as well as opportunities that are attributed to the current bid climate. The request also serves to clarify the scope of one Certificate of Participation project and to clarify the need to establish an appropriation for debt service paid out of Building Fee supported Certificates of Participation at Bellingham Technical College and Green River Community College. The proposed supplemental request serves to reinforce the State Board's Strategic Direction for economic demand, student success, and innovation. The requests are due to the Governor's office immediately following this Board meeting.

Key Questions

- Does the supplemental budget request as presented conform with the Board's priorities?
- Are there modifications, additions or changes to the draft request?

Analysis

Since the Board's September Retreat, the presidents have discussed and affirmed their support of the draft supplemental request at their October meeting. This request is made possible through the failure of the Legislature to appropriate nearly \$22 million in Building Fees in the 2009 Legislative Session. In addition, several Spokane District projects, where bids were accelerated in anticipation of the Governor's economic stimulus proposals, benefitted from a very competitive bid environment and produced a savings of approximately \$10 million that can be appropriated on another project. Finally, OFM has identified approximately \$120 million in General Obligation Bond authority that was not appropriated in the biennium which is available statewide for critical projects. Given these funding options, the following summarizes our \$75.7 million request. In addition staff is proposing a change in scope to one of the alternative financing projects. Details of the overall request are in Attachment B.

While this request represents a large supplemental request it is a fair request recognizing the omissions of the last legislative session and the opportunity to commit bid savings and uncommitted building fees and general obligation bonds to address reductions made in the past

session. The priority list is preserved and newly identified emergency projects at Seattle Central and Clover Park are addressed (Attachment A). The State Board Office has prepared the required electronic files and documents to further support the capital request.

Background Information

Attachment A: 2009-11 Capital Budget Request vs Legislative Budget

Attachment B: 2010 Supplemental Capital Budget Request

Recommendation/Outcomes

The staff recommends that the Board adopt Resolution 09-10-28, adopting the SBCTC 2010 Supplemental Capital Budget Request.

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State Board for Community and Technical Colleges
2009-11 Capital Budget Request vs. Legislative Budget

| Priority | Category | Project No. | College | Description | SBCTC 2007-09 Capital Request | Legislative Budget | Difference |
|--------------------------------------|----------------------------|-------------|----------------------|---|----------------------------------|-----------------------|-------------------------|
| 1 | Minor Works - Preservation | 08-1-001 | Statewide | Emergency Repairs and Improvements | \$ 16,000,000 | \$ 15,116,000 | \$ (884,000) |
| 2 | Roof Repairs "A" | 08-1-010 | Statewide | Roof Repairs | \$ 9,480,896 | \$ 8,493,000 | \$ (987,896) |
| 3 | Facility Repairs "A" | 08-1-050 | Statewide | Facility Repairs | \$ 18,521,585 | \$ 18,535,000 | \$ 13,415 |
| 4 | Site Repairs "A" | 08-1-090 | Statewide | Site Repairs | \$ 2,704,831 | \$ 2,710,000 | \$ 5,169 |
| 5 | Matching Fund Projects | 10-2-420 | Yakima Valley | Grandview-College/City Library | \$ 2,000,000 | \$ 2,000,000 | \$ - |
| 6 | Matching Fund Projects | 10-2-421 | Peninsula | Fort Worden Education Center | \$ 2,000,000 | \$ - | \$ (2,000,000) |
| 7 | Matching Fund Projects | 10-2-422 | Olympic | Sophia Bremer Child Development Ctr | \$ 2,000,000 | \$ 2,000,000 | \$ - |
| 8 | Matching Fund Projects | 10-2-423 | Spokane Falls | Stadium and Athletic Fields | \$ 2,000,000 | \$ - | \$ (2,000,000) |
| 9 | Matching Fund Projects | 10-2-424 | Bellingham | Fisheries Technology Program | \$ 2,000,000 | \$ 2,000,000 | \$ - |
| 10 | Matching Fund Projects | 10-2-425 | Lower Columbia | Myklebust Gymnasium | \$ 2,000,000 | \$ - | \$ (2,000,000) |
| 11 | Matching Fund Projects | 10-2-426 | Wenatchee | Music and Arts Center | \$ 2,000,000 | \$ 2,000,000 | \$ - |
| N/A | Matching Fund Projects | 12-2-427 | Statewide | Future Matching Projects | | | \$ - |
| 12 | Minor Works - Program | 08-2-130 | Statewide | Minor Improvements - Program Related | \$ 20,085,219 | \$ 13,572,000 | \$ (6,513,219) |
| 13 | Replacements | 06-1-205 | Green River | Humanities and Classroom Bldg (COP) | \$ 27,927,131 | \$ 26,532,000 | \$ (1,395,131) |
| 14 | Replacements | 08-1-216 | Seattle Central | Wood Construction | \$ 25,941,547 | \$ 24,645,000 | \$ (1,296,547) |
| 15 | Replacements | 08-1-217 | Columbia Basin | Career and Tech Ed Facility | \$ 21,195,000 | \$ 20,144,000 | \$ (1,051,000) |
| 16 | Replacements | 08-1-218 | Peninsula | Business and Humanities | \$ 35,396,496 | \$ 33,627,000 | \$ (1,769,496) |
| 17 | Replacements | 08-1-219 | Spokane Falls | Chem & Life Sciences | \$ 29,263,000 | \$ 27,800,000 | \$ (1,463,000) |
| 18 | Replacements | 08-1-220 | Spokane | Technical Education Bldg | \$ 32,335,000 | \$ 30,718,000 | \$ (1,617,000) |
| 19 | Replacements | 08-1-221 | Everett | Index Hall Replacement | \$ 2,301,000 | \$ 2,301,000 | \$ - |
| 20 | Replacements | 08-1-222 | Green River | Trades and Industry Complex | \$ 2,625,000 | \$ 2,625,000 | \$ - |
| 21 | Replacements | 08-1-223 | Bellingham | Instructional/LRC (COP) | \$ 29,102,714 | \$ 28,968,000 | \$ (134,714) |
| 22 | Replacements | 08-1-224 | Skagit Valley | Academics/Student Support | \$ 2,115,750 | \$ 2,116,000 | \$ 250 |
| 23 | Replacements | 08-1-225 | Lower Columbia | Science Replacement | \$ 2,969,000 | \$ 2,969,000 | \$ - |
| 24 | Replacements | 08-1-226 | Grays Harbor | Science Replacement | \$ 3,583,000 | \$ 3,583,000 | \$ - |
| 25 | Replacements | 10-1-227 | Seattle Central | Seattle Maritime Academy | \$ 2,899,000 | \$ 2,839,000 | \$ (60,000) |
| 26 | Replacements | 10-1-228 | Yakima Valley | Palmer Martin Replacement | \$ 15,503,000 | \$ 1,464,000 | \$ (14,039,000) |
| 27 | Replacements | 10-1-229 | Olympic | Theater, Art and Music Building Rplcmnt | \$ 250,000 | \$ - | \$ (250,000) |
| 28 | Replacements | 10-1-230 | Centralia | Kemp Hall and Student Services | \$ 250,000 | \$ - | \$ (250,000) |
| 29 | Replacements | 10-1-231 | Spokane Falls | Fine Arts and Photography Rplcmnt | \$ 250,000 | \$ - | \$ (250,000) |
| 30 | Replacements | 10-1-232 | Clover Park | Hospitality Institute | \$ 250,000 | \$ - | \$ (250,000) |
| 31 | Replacements | 10-1-233 | Peninsula | Allied Health and Early Childhood Dvlpmnt | \$ 250,000 | \$ - | \$ (250,000) |
| 32 | Replacements | 10-1-234 | Grays Harbor | Student Svcs and Instructional Bldg | \$ 372,000 | \$ - | \$ (372,000) |
| 33 | Replacements | 10-1-235 | Seattle South | Integrated Education Center | \$ 250,000 | \$ - | \$ (250,000) |
| 34 | Renovation | 08-1-316 | South Puget Sound | Building 22 Renovation | \$ 10,001,169 | \$ 10,002,000 | \$ 831 |
| 35 | Renovation | 08-1-319 | Spokane | Vacated Building 7 | \$ 10,041,025 | \$ 9,748,000 | \$ (293,025) |
| 36 | Renovation | 08-1-320 | Spokane Falls | Music Building 15 | \$ 14,350,035 | \$ 13,806,000 | \$ (544,035) |
| 37 | Renovation | 08-1-321 | Pierce Ft Steilacoom | Cascade Core | \$ 23,508,401 | \$ 15,000,000 | \$ (8,508,401) |
| 38 | Renovation | 10-1-322 | Seattle North | Allied Health and Technology Bldg | \$ 3,184,000 | \$ 2,976,000 | \$ (208,000) |
| 39 | Renovation | 10-1-323 | Green River | Science, Math, and Technology | \$ 1,868,000 | \$ 1,700,000 | \$ (168,000) |
| 40 | Renovation | 10-1-324 | Bates | West Wing Main Building | \$ 1,407,000 | \$ - | \$ (1,407,000) |
| 41 | Renovation | 10-1-325 | Olympic | Shop Building Renovation | \$ 250,000 | \$ - | \$ (250,000) |
| 42 | Renovation | 10-1-326 | South Seattle | Automotive Technology Building | \$ 250,000 | \$ - | \$ (250,000) |
| 43 | Renovation | 10-1-327 | Renton | Auto Trades Renovation | \$ 365,000 | \$ - | \$ (365,000) |
| 44 | Major Growth Design | 08-2-701 | Tacoma | Health Careers Center | \$ 2,946,000 | \$ 2,946,000 | \$ - |
| 45 | Major Growth Design | 08-2-702 | Bellevue | Health Sciences Building | \$ 4,350,000 | \$ 4,350,000 | \$ - |
| 46 | Major Growth Design | 08-2-703 | Bates | Communication & Technology | \$ 1,755,000 | \$ 1,755,000 | \$ - |
| 47 | Major Growth Design | 08-2-704 | Columbia Basin | Culture, Language, & Soc Sci | \$ 1,412,131 | \$ - | \$ (1,412,131) |
| 48 | Major Growth Design | 08-2-705 | Clark | Health & Advance Technology | \$ 2,506,000 | \$ 2,506,000 | \$ - |
| 49 | Major Growth Predesign | 10-2-711 | Clark | North County Satellite | \$ 250,000 | \$ - | \$ (250,000) |
| 50 | Major Growth Predesign | 10-2-712 | Everett | LRC Technology Center | \$ 330,000 | \$ - | \$ (330,000) |
| 51 | Major Growth Construction | 06-2-696 | Spokane Falls | General Classrooms/Early Learning | \$ 21,552,000 | \$ - | \$ (21,552,000) |
| 52 | Major Growth Construction | 06-2-697 | Lake Washington | Allied Health | \$ 27,353,384 | \$ 25,986,000 | \$ (1,367,384) |
| 53 | Major Growth Construction | 06-2-698 | South Puget Sound | Learning Resource Center | \$ 35,382,007 | \$ - | \$ (35,382,007) |
| 54 | Major Growth Construction | 06-2-699 | Clover Park | Allied Health | \$ 25,515,455 | \$ - | \$ (25,515,455) |
| 55 | Major Growth Predesign | 10-2-713 | Edmonds | Science, Engineering & Technology | \$ 3,250,000 | \$ - | \$ (3,250,000) |
| 56 | Major Growth Predesign | 10-2-714 | Whatcom | The Learning Commons | \$ 125,000 | \$ - | \$ (125,000) |
| 57 | Infrastructure | 10-1-5xx | Everett | Major Infrastructure Projects | \$ 2,146,000 | \$ 2,061,000 | \$ (85,000) |
| 58 | Roof Repairs "B" | 08-1-710 | Statewide | Essential Roof Repairs | \$ 8,720,889 | \$ - | \$ (8,720,889) |
| 59 | Facilities Repairs "B" | 08-1-750 | Statewide | Essential Facility Repairs | \$ 26,070,781 | \$ - | \$ (26,070,781) |
| 60 | Site Repairs "B" | 08-1-790 | Statewide | Essential Site Repairs | \$ 4,860,005 | \$ - | \$ (4,860,005) |
| Total Request | | | | | \$ 549,570,451 | \$ 369,593,000 | \$ (179,977,451) |
| Preventative Facility Maintenance | | | | | \$ - | \$ 22,800,000 | \$ 22,800,000 |
| Tri-Tech STEM High School | | | | | | \$ 800,000 | \$ 800,000 |
| Employment Resource Center | | | | | | \$ 5,000,000 | \$ 5,000,000 |
| William A Grant Environmental Center | | | | | | \$ 1,750,000 | \$ 1,750,000 |
| Kitchen Modernization | | | | | | \$ 378,000 | \$ 1,750,000 |
| Total Appropriations | | | | | \$ 549,570,451 | \$ 400,321,000 | \$ (147,877,451) |

STATE OF WASHINGTON
STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES
RESOLUTION 09-10-28

A resolution relating to the 2010 Supplemental Capital Budget.

WHEREAS, the Office of Financial Management requests that all state institutions submit their requests for the 2010 supplemental; and

WHEREAS, the State Board Office and the Presidents have reviewed the proposal and support the direction taken; and

WHEREAS, the request supports the priorities set in the 2009 Biennial Budget request and addresses two additional critical minor works emergency projects; and

WHEREAS, the supplemental capital budget is reasonable and balanced against available funds

THEREFORE BE IT RESOLVED that the State Board for Community and Technical Colleges approve the Supplemental Capital Request as outlined in Attachment B: 2010 Supplemental Capital Budget Request

APPROVED AND ADOPTED on October 30, 2009.

J.A. Bricker, Chair

ATTEST:

Charles N. Earl, Secretary

State Board for Community and Technical Colleges 2010 Supplemental Capital Budget Request

Restore Critical Funding for Minor Works Projects - \$4,385,000

- Minor Works Preservation account is restored to the level of the original request and \$884,000 is added back into the emergency pool using uncommitted building fees.
- The Roof Repairs A request is restored to the original request level with \$988,000 from building fees.
- Minor Works Program is amended to add two emergency projects to address critical siding failures at Seattle Central's Charles Mitchell Building - \$1,000,000 and Clover Park Community College's Building 14 Spandrel Panel failures - \$1,513,000

Restore a major project skipped over in the 2009 Biennium - \$11,000,000

- This request captures \$10 million in bid savings and uses an additional \$11 million in uncommitted building fees to fund the \$21 million Spokane Falls Community College Classroom/Early Learning Center. This appropriation was skipped over in the 2009 session because the project was not "shovel" ready (Priority 51). This action restores the priorities of the budget process and will allow the project to move forward.
- Bid savings are captured from the following projects – Spokane Community College Technical Education Building; Spokane Falls Music Building Renovation; Spokane Falls Chemistry and Life Sciences Building

Restoration of the total project cost split in the session over two biennia - \$8,500,000

- The Pierce Ft. Steilacoom Cascade Core building has significant exterior mold problems and major upgrades to failing plumbing and HVAC problems that need immediate attention. The splitting of the project into two phases makes it difficult to address these issues in a logical and economical fashion. This request uses uncommitted General Obligation Funds to restore the original request and address emergent issues (Priority 37).

Funding an additional Major Project - \$35,382,000

- Reach down one more major project to pick up the Priority 53 South Puget Sound Community College Learning Resource Center using uncommitted General Obligation Funds. This action is critical to providing a better starting position in the 2011-13 Biennium and provides continuity of the General Contractor/Construction Manager (GCCM) project currently in place.

Funding for Debt Service and Insurance Coverage for Building Fee Financed Certification of Participation (COP) Projects - \$6,500,000

- This is an operating budget request that affects two capital projects at Bellingham Technical College Instructional LRC Buildings and the Green River Humanities Replacement Building. Debt service is an ongoing expenditure that is best addressed in the operating budget. We can approximate cost for this biennium and show the carry forward impact for consideration in the maintenance budget actions in 2011-13. The building fee is an appropriated account and needs to be established formally before the State Treasurer can access these funds. The \$6.5 million represents a conservative figure for the current biennium and will grow to approximately \$8 million a biennium when the Bellingham COPs are sold. Insurance is also a required for COP projects.

Clarify Scope for the Edmonds Alternative Financing Contract

- The initial request had the college collocating an allied health program and carpentry program in the Alternative High School adjacent to the Edmonds Community College Campus. This project has been delayed by the School District as it reconsiders its future options. The college has already relocated its allied health program into another facility in anticipation of the School Districts actions. The college proposes using the same COP funds to purchase adjacent property owned by the city which includes two smaller buildings and a warehouse. A portion of the warehouse can be modified to support the carpentry program and the rest of the site can be upgraded to support parking needs. Revisions for Section 6009(2)(d) are provided for OFM to amend the capital budget bill.