

VICTOR VALLEY COMMUNITY COLLEGE DISTRICT MEASURE JJ BOND PROGRAM

Citizens' Bond Oversight Committee

(Information Only – No Action Required)

PROGRAM STATUS REPORT

AUGUST 26, 2009

I. PROGRAM UPDATE

Since the passing of Measure JJ in November 2008, much has been accomplished by the District. The securing of a Moody's Rating of Aa3 and an S&P Rating of AA-, both of which are High-Quality Investment Grade ratings, was a significant achievement. This has enabled the District to sell the first issue of bonds at rates of 5.6% (combined) for Issue A and B and 6.4% for Issue C.

Major Activities Completed:

- 1. Bond Sale 1 - Issue A & B, May 7, 2009** – Proceeds totaled \$66,004,962.90, including \$12,000,000 of "Build America Bonds" (BABs). BABs are part of the federal stimulus plan and provide a 35% rebate on interest costs to issuers or a tax credit to investors, at the issuer's discretion. BABs can be issued only from February 17, 2009 through December 31, 2010.
- 2. Bond Sale 1 - Issue C, June 23, 2009** – Proceeds totaled \$70,017,064.65.
- 3. Paid Off Certificates of Participation (COPs)** – The District used \$53,450,000 of Issue A proceeds to pay off the 1997 COPs, as promised.
- 4. Successfully Completed Due Diligence Process for Eastside Memorandum of Understanding (MOU) and Property Lease** – The MOU with the Apple Valley Fire Protection District was approved by the Board at the April 14, 2009 meeting. The property lease was approved at the August 11, 2009 Board meeting.
- 5. Completed Due Diligence for Westside Land Purchase** – Property acquisition completed on July 8, 2009.
- 6. Completed Design-Build (D-B) Request for Proposal (RFP) Template, D-B Agreement and General Conditions** - These comprehensive documents were prepared specifically for the District and will be used on all future Design-Build

projects. These documents have been reviewed by District Legal Counsel for conformance with all applicable statutes.

- 7. Completed 1st Draft of District Standards; Campus Design Guidelines, Sustainability Guidelines and Outline Specifications** – These documents were prepared by gkkworks with the help of College staff, and are intended to assist architects, engineers, contractors, and other design professionals in understanding the District's preferences in the design and construction of new buildings, the modification of existing structures and systems, and the renovation of existing spaces on the main campus and the Eastside and Westside Centers.
- 8. Identified Best Value D-B firm for Eastside Center** – An RFP was issued on June 1, 2009. Proposals were received on July 2, 2009. Following a series of negotiations, the project was awarded and a Contract was approved by the Board at the August 11, 2009 meeting.
- 9. Engaged Environmental Consultant** – Following an extensive selection process, the District selected Dudek, an environmental services consultant, to perform as-needed environmental consulting (CEQA) services for the Measure JJ Bond program. A contract was approved by the Board on August 11, 2009.
- 10. Approved Facilities Master Plan and Environmental Impact Report (EIR)** – The Board approved the Victor Valley College 2007-2017 Facilities Master Plan and Draft EIR at the April 14, 2009 meeting. The Facilities Master Plan includes both bond-funded and non bond-funded projects.
- 11. Completed CCCC Five-Year Construction Plan and Project Proposals** - California Community College Districts are required to submit an updated Five Year Construction Plan with updated capital improvement project descriptions, funding source and anticipated schedule. The District submitted the plan which included one Final Project Proposal to request State funding for the Science Building Addition on the VVC Main Campus, as well as three Initial Project Proposals for future projects. Project proposals are currently under review by State Specialists.
- 12. Developed and Issued RFP for an Owner Controlled Insurance Program (OCIP)** – An OCIP is a wrap-up policy under which a project owner provides various insurance coverages to contractors and subcontractors. OCIPs can provide significant cost savings and better protection for the owner as well as potentially lower construction costs and reduced losses from more effective, comprehensive, safety and loss-control programs. OCIPs can significantly enhance outreach efforts and increase local participation.

II. PROGRAM BUDGET SUMMARY (Attachment A)

The attached draft Bond Program Budget Summary details bond revenue, expenditures and balances through August 15, 2009. This date was chosen to include major commitments made at the August 11, 2009 Board meeting. Future reports will reflect Program finances on a quarterly schedule.

III. PROJECT SUMMARY

Eastside Public Safety Training Center:

Project Awarded:	August 11, 2009
Design-Build Team:	Highland Partnership/Carrier-Johnson Architects
Contract Amount:	\$ 25,000,000
Total Project Budget:	\$ 29,946,466
Timeline:	Design Completion – March 2010 DSA Approval – December 2010 Construction Completion – December 2011



GKKWorks completed Scoping Documents in late May 2009 which incorporated District Design Standards and included project specific outline architectural, civil, structural, mechanical, and electrical engineering specifications. The scoping documents identified general design parameters and provided specific programmatic and functional requirements for the project.

An RFP, including the scoping documents, was issued on June 1, 2009 to three (3) pre-qualified D-B entities. Proposals were received on July 2, 2009 from two (2) firms; one declined to submit. Interviews were conducted on July 8, 2009 and the D-B Selection Committee evaluated and scored the teams in accordance with the guidelines outlined in the RFP and required by statute. Post-evaluation discussions were held with the highest rated firm to further define and clarify the project scope and budget.

Following these discussions, the District and the selected firm (Highland Partnership) agreed on a scope and price that was within the goals set by the District. The contract was approved by the Board on August 11, 2009. The final project budget is included on the attached Program Cost Summary.

The utilization of the design-build project delivery method and best-value selection has, thus far, resulted in a project that delivers excellent design, meets all of the programmatic requirements, and provides exceptional value.

Westside Workforce Development Center (Phase I):

Project Awarded:	TBD
Design-Build Team:	TBD
Contract Amount:	TBD
Total Project Budget:	\$ 32,787,207
Timeline:	Program Development, Scoping Document Development, Site Design (Grading, Infrastructure, Hydrology, Off-Site Improvements) – December 2009 Completion of Draft EIR – June 2010 Release RFP for Phase I Building – June, 2010 Complete Final EIR – December 2010 Complete Phase I Site Improvements – December 2012



The Westside project scope development is currently underway. This effort will help in developing a detailed project schedule and baseline cost estimate, as well as identifying any remaining entitlement and/or regulatory issues such as Conditional Use Permits, CEQA compliance, site hydrology and drainage, etc. We anticipate that an Environmental Impact Report will be required for the Westside and we have begun that process with Dudek, our environmental consultants.

Main Campus:

A review of main campus bond funded project needs was begun in early August 2009. The current Bond Program Budget assumes that the first phase of campus improvements will commence with bond Issue 2, which we expect to be in mid 2012. Issue 3, scheduled for

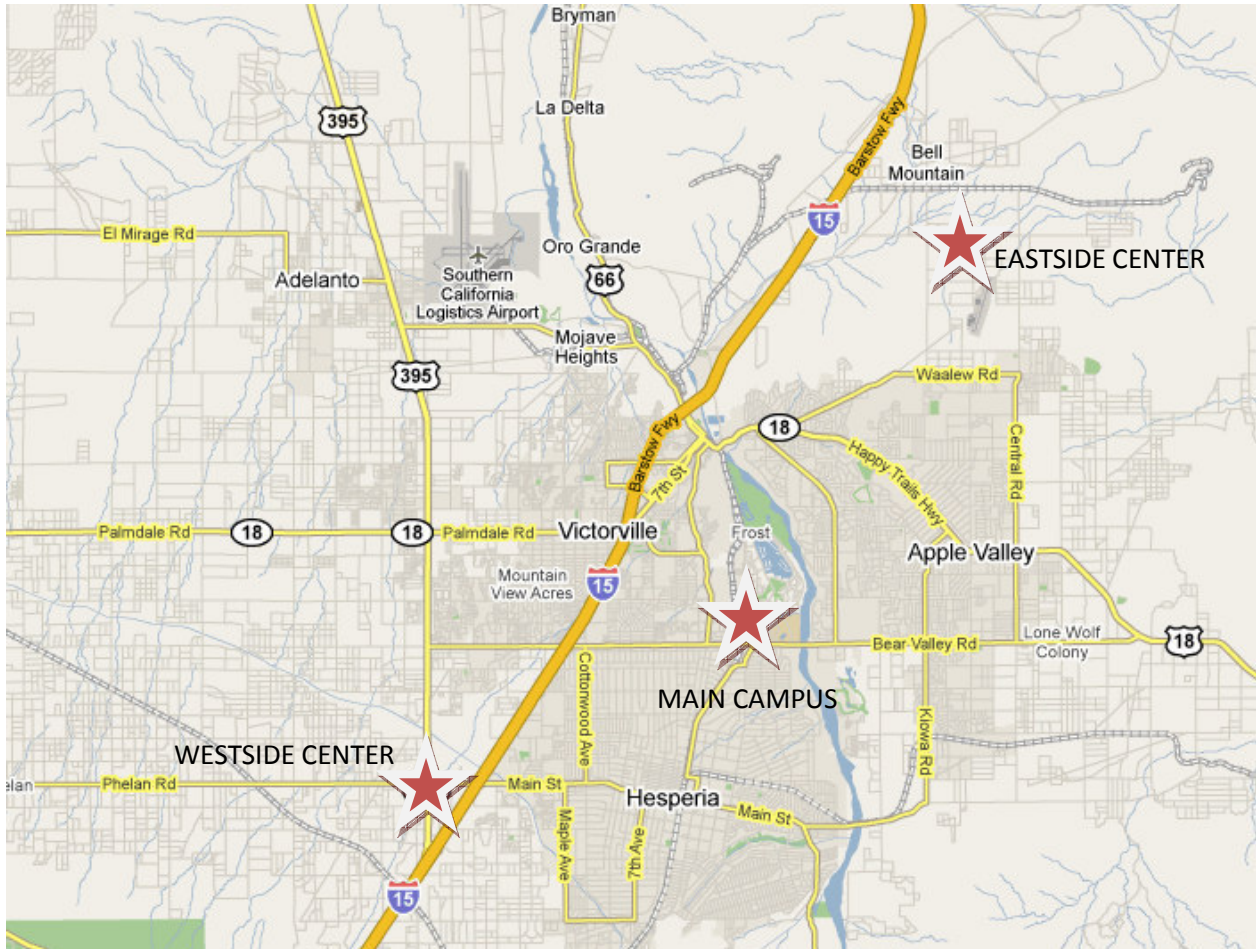
mid 2015, will fund the second phase of campus improvements, as well as a series of parking and roadway improvements and an addition to the Science building, which will include a 60% funding contribution from the State.

The College has elected to fund the Student Services/Admin building from a non-bond source of funds. This project will provide much needed space for critical campus services. Programming and planning efforts are currently underway.

IV. LOCAL PARTICIPATION

Measure JJ set an ambitious goal of 85% local participation. This goal was included in the selection criteria for pre-qualification of design-build firms and in the scoring of the firms who submitted proposals for the Eastside Public Safety Training Center. The selected D-B firm, Highland Partnership, has developed and proposed a plan that they believe will achieve local participation rates of approximately 83% for labor and 71% overall (labor, material and equipment). It is important to note, however, that these are non-binding goals. As stated above under item 9, the implementation of an OCIP could positively impact the overall local participation goal.

SITE MAP



Distance from Main Campus (via freeway)

Westside (Main Street & 395) = 9.5 miles

Eastside (Johnson & Navajo Road) = 18.5 miles

This report includes information obtained from numerous sources. If you have any questions or concerns about Measure JJ Program related activities or would like to get additional information about ongoing projects, please contact gkkworks, Program Manager at (760) 245-4271 ext. 2290.

Bond Measure JJ Web Page: <http://www.vvc.edu/measurejj/>

MEASURE JJ BOND PROGRAM BUDGET SUMMARY

INCOME				FUND REVENUES	SERIES 1 REVENUES	SERIES 2 REVENUES	SERIES 3 REVENUES	EXPENDED TO-DATE	% EXPENDED
Offering 1	01 - -	Bond Series 1A	May 7, 2009	54,004,963	54,004,963			54,004,963	100.0%
	02 - -	Bond Series 1B (BABs)	May 7, 2009	12,000,000	12,000,000			2,035,709	17.0%
	03 - -	Bond Series 1C	June 23, 2009	70,017,065	70,017,065			10,942,012	15.6%
Offering 2	04 - -	Bond Series 2 - Estimated	June 1, 2012	80,738,986		80,738,986			
Offering 3	05 - -	Bond Series 3 - Estimated	June 1, 2015	80,738,986			80,738,986		
	- -	Bond Interest (Projected)		-	750,000	700,000	500,000		
Subtotal				\$ 297,500,000	\$ 136,772,028	\$ 81,438,986	\$ 81,238,986	\$ 66,982,683	22.4%

BUDGET/EXPENSE			PROGRAM BUDGET	SERIES 1 BUDGET	SERIES 2 BUDGET	SERIES 3 BUDGET	EXPENDED TO-DATE	% COMPLETE
Funds	Account No.	Bond Related Costs	6/30/2009	8/15/2009			Thru 8/15/2009	
1A	01 - -	1997 Certificates of Participation (COP's)	53,450,000	52,050,000	-	-	53,450,000	
1A&B	01 - -	Reimbursable Bond Related Costs	1,900,000	1,900,000			1,900,000	
1B	01 - -	D-B Consultant	10,000	10,000				
1B	01 - -	Legal Services - Program Related	4,462,500	-	1,000,000	1,000,000		
1B	01 - -	Program Management/Project Management	2,530,054	631,831	500,000	250,000	197,352	
1B	01 - -	Other Bond Sale Costs	-	-	-	-	-	
1B	01 - -	Carryover From Prior Series (Unused Revenue)	-	-	3,283,422	1,743,884		
1B	01 - -	Program Contingency - 5%	947,750	3,601,101	4,071,949	4,061,949		
Subtotal Other Bond Costs			\$ 63,300,304	\$ 58,192,932	\$ 8,855,372	\$ 7,055,833	\$ 55,547,352	74.96%

Funds	Eastside Public Safety Training Center							
1B	02 - 0015 - 5840	D-B Scoping Documents	402,470	319,816			191,890	
1B&C	02 - 0015 -	D-B Consultant Fee	10,000	10,000				
1B&C	02 - 0015 -	D-B Cost (Design & Construction)	27,246,117	25,000,000			-	
1B&C	02 - 0015 -	DSA Plan Check Fee	132,587	122,569			-	
1B&C	02 - 0015 -	Community College Plan Check Fee	71,870	66,257			-	
1B&C	02 - 0015 -	Inspection Fees (IOR)	180,000	180,000			-	
1B&C	02 - 0015 -	Group II FF&E	1,235,206	1,250,000			-	
1B&C	02 - 0015 -	Other Costs/Project Contingency - 3% of D-B Cost	100,000	750,000			-	
1B	02 - 0015 -	Project/Construction Management	1,530,499	1,447,823			301,430	
1B	02 - 0015 -	Labor Compliance	-	100,000				
1B&C	02 - 0015 -	Environmental Consultant	200,000	200,000				
1B&C	02 - 0015 -	Professional Services - Legal	-	500,000				
Subtotal Eastside			\$ 31,108,749	\$ 29,946,466			\$ 493,320	1.65%

Funds	Westside Workforce Development Center			Phase I	Phase II	Phase III		
1C	03 - 0018 -	Land Acquisition Costs	10,800,000	10,800,000			10,800,000	
1C	03 - 0018 -	Appraisal Fees	-	-				
1C	03 - 0018 -	ALTA Surveying	12,000	12,000				
1C	03 - 0018 -	Professional Services - Legal	100,000	1,750,000	500,000	250,000		
1C	03 - 0018 -	Other Costs	-	-	-	-		
	- -	Phase Scope						
	- -	D-B Scoping Documents	350,000	350,000	400,000	350,000		
	- -	D-B Consultant Fee	10,000	10,000	10,000	10,000		
	- -	D-B Cost (Design & Construction)	28,260,825	28,260,825	40,000,000	50,000,000		
	- -	DSA Plan Check Fee	148,430	148,430	208,300	259,300		
	- -	Community College Plan Check Fee	80,745	80,745	114,286	142,857		
	- -	Inspection Fees (IOR)	180,000	180,000	240,000	200,000		
	- -	Group II FF&E	850,000	850,000	1,500,000	1,250,000		
	- -	Other Costs/Project Contingency - 2% of D-B Cost	120,000	565,216	800,000	1,000,000		
	- -	Project/Construction Management	1,578,947	1,578,947	2,857,145	2,800,640	142,012	
	- -	Labor Compliance	-	113,043	160,000	200,000		
	- -	Environmental Consultants	500,000	600,000	50,000	100,000		
	- -	Civil Engineering Consultant	50,000	50,000	-	-		
1C		Sub-Total Phase I	32,128,947	32,787,207				
2		Sub-Total Phase II	47,250,000		46,339,730			
3		Sub-Total Phase III	68,250,000			28,156,398		
		Bond Funds				28,156,398		
		State Funds						
Subtotal Westside (Bond Only)			\$ 158,540,947	\$ 45,349,207	\$ 46,839,730	\$ 28,406,398	\$ 10,942,012	9.07%

Funds	Main Campus								
3		Science Building Addition	Bond Funds	2,025,000			8,890,000	-	
			State Funds				13,336,000		
3		Campus Parking/Roads Improvements		6,075,000			5,900,000	-	
3		Student Services/Admin Building	Bond Funds	-	-		-	-	
			Other Funds		10,000,000				
3		Campus Improvements - Phase I		21,600,000		24,000,000		-	
3		Campus Improvements - Phase II		14,850,000			20,000,000	-	
Subtotal Main Campus (Bond Only)				\$ 44,550,000	\$ -	\$ 24,000,000	\$ 34,790,000	\$ -	0.00%

TOTALS	\$ 297,500,000	\$ 133,488,605	\$ 79,695,102	\$ 70,252,232	\$ 66,982,683	23.63%
---------------	-----------------------	-----------------------	----------------------	----------------------	----------------------	---------------

FUNDS REMAINING (UNCOMMITTED)	\$ 3,283,422	\$ 1,743,884	\$ 10,986,754
--------------------------------------	---------------------	---------------------	----------------------

