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# LAND DEVELOPMENT COMMITTEE MEETING MINUTES

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## Coast Community College District

Date: May 5, 2009 2:00 p.m.

Board of Trustees Office Conference Room

1370 Adams Avenue, Costa Mesa, CA 92626

### 1. Call to Order

Chair Walt Howald called the meeting to order at 2:01 p.m.

2. **Members in Attendance** - Chair Walt Howald, Trustee Jerry Patterson, Vice Chancellor of Administrative Services C.M. Brahmbhatt, President, Golden West College Wes Bryan, Vice President of Administrative Services, Golden West College, Janet Houlihan, Boys & Girls Club, Mr. John Rich, Boys & Girls Club, Tanya Hoxie, Boys & Girls Club, Shirley Dettloff, Boys & Girls Club, Bob Hoxie, Coast Community College District General Counsel, Jack P. Lipton, Ph.D., and Secretary of the Board of Trustees, Christian Teeter.

### 3. Opportunity for Public Comment

There were no requests to speak during Public Comment.

### 4. Review of Committee Meeting Notes: Meeting of April 13, 2009

The Committee reviewed the Meeting Notes of the April 13, 2009

### 5. Approval of Minutes

It was moved by Mr. Patterson and seconded by Mr. Howald to approve the committee meeting minutes of March 2, 2009. The Committee approved the Minutes of the March 2, 2009 Land Development Committee Meeting.

### 6. Coastline Community College

#### a. Newport Learning Center

Mr. McElroy provided an update on the Learning Center. Any extension for the escrow would be an additional \$200,000. He also mentioned that there are no "clouds" on the title issues for the Monrovia property.

Mr. McElroy noted the Phase I report, will include the participation of Geo Centec Consultants. They are the same consultants who have worked on a previous Phase I report for this property. There were no reports of toxic waste, and Mr. McElroy was confident that there would be no findings for this one as well. Dr. Currie also noted that this site would be checked to see if it had been an Indian burial ground.

When the Board declared the District exempt from local zoning, it was indicated that there was a ninety day deadline for a challenge to take place. Mr. McElroy noted that there were no complaints filed as of yet.

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Mr. McElroy noted that an initial environmental report on the property would be filed in the near future. Mr. McElroy noted that the longest time frame for due diligence would be the traffic study. Mr. McElroy noted that the EIR has been completed and delivered to the City of Newport Beach for review. Dr. Currie noted that so far, with all indications, the City of Newport Beach continues to be very cooperative. Mr. Howald encouraged staff to obtain as many approvals as possible in a short time period.

Mr. McElroy updated the committee on the college's public relations efforts. Meetings have been arranged with Boards of various homeowners' associations. Further, Mr. McElroy noted that an open forum would be scheduled on the new learning center for some time in June 2009. Mr. McElroy provided the committee with examples of correspondence that would be submitted to residences – advising them of a forum.

Mr. Howald wanted to know more information about the letters that would be distributed to the community members. Mr. Howald noted that when people receive a letter, those that are against any project usually have many questions, and the letter does not answer any of their questions – providing a chance for people to create opposition before they know all of the facts. Mr. Howald expressed concern about having a meeting, given these potential circumstances arising.

The Committee members discussed taking more of a “low key” approach to promote the project. Mr. Howald recommended conducting outreach to influential community members to ensure support for the project in the community, and offered the committee's assistance in reaching out to various support for the project.

Mr. Patterson asked if it was necessary for the college to hold a public hearing on the property. Mr. McElroy let the committee know that he would look into this matter further. Dr. Currie noted that a public announcement would be made. Mr. Patterson suggested that the District host a public hearing at its offices for the building, to promote transparency.

Mr. McElroy noted that on April 30, 2009 the college had a meeting with all of the City of Newport Beach departments concerned with the project. Mr. McElroy commented that in summary, a site plan showed how the building would be structured. The committee inquired on the building plan, asking for clarifications on the scale and the coloring of the model. Mr. McElroy noted that the City may have the building moved back toward Banning Ranch to alleviate mitigating factors. The exact detail of the drawing was requested to be clarified by the committee members.

#### **b. Nexus Proposal**

Dr. Currie noted that the college has had meetings with Nexus, regarding a proposal. The proposal was provided to the committee. The college stated that they are very appreciative of the proposal and letting them know of the change of the availability of land parcels. Dr. Currie extended thanks and advised that escrow had been opened, but that the Nexus project could be a contingency plan for this learning center initiative. The total cost of the Monrovia property was \$12,800,000. The Nexus price would be considerably less, about \$1,000,000 per acre less. Dr. Currie noted that this parcel had been studied before by the college.

The committee confirmed that until August 10, 2009, the college has the option to drop out of the project. Mr. Patterson concurred in keeping the Nexus property as a back-up option. The current escrow has \$320,000 in it. If the District cancels the project by August 9, 2009, the majority of the funds would be returned. After August 10, the

college must distribute another \$80,000, making the total \$400,000, which would be non-refundable.

**c. Additional Land Purchase Proposal**

Dr. Currie commented that much work has gone on in programming the building at Monrovia. She noted that there are 200 parking spaces remaining, versus 300 parking spaces that were originally planned by an architect. She noted that there is just enough parking available. Dr. Currie noted that there was an offer from the next door neighbor, for a parcel next door, offering half an acre of extra land for parking opportunities. Mr. Tolliver Morris advised the committee of the status of this parcel, as well as another parcel nearby. One of the nearby neighbors had expressed interest in selling his property to the college, but an additional parcel next to the site has also expressed interest in entering into a lease with the college for additional property. Mr. Howald asked for the property to be diagrammed so more information could be obtained.

Dr. Currie noted that the college had not responded to the offers, but that she wanted to discuss it with the Land Development Committee. Dr. Currie noted that one of the most important questions would be the financing of additional considered projects. Because the college is banking on the low cost of the construction, the college looked at its own financing. She noted that the college has the financing itself. Dr. Currie noted that the college could retire one additional facility, with a \$50,000 a year lease that will be retired – which could offset the purchase price of the new parcel adjacent to the Newport Learning Center. Mr. Howald asked Mr. Brahmbhatt about this. Mr. Brahmbhatt noted that the college did have the resources to pursue the project and that District funds would not be used if an additional purchase was made. Dr. Currie emphasized that the timing of the economy provided a strong opportunity for the college to make this additional purchase. Mr. Howald felt that the project should be further explored. Dr. Currie indicated that keeping this project separate would not impact the timeline for the Learning Center. Mr. Morris indicated that the process may have to be re-started. Mr. Brahmbhatt emphasized that the project could be done separately.

Mr. Morris noted that the new parcel would be priced somewhere between \$1,500,000 and \$2,000,000. He noted that pricing is a challenging matter at this time. Mr. Patterson noted that the additional parking and landscaping would add a favorable attribute to the project. Committee members encouraged the project to be explored further, on this new parcel.

**7. Golden West College**

**a. Boys & Girls' Club of Huntington Valley**

Golden West College representatives discussed the Boys and Girls Club project. The first stages of the college project is with the Division of State Architects for approval. There is a question of the delivery method of the construction. Instead of going forward with a General Contractor, the construction is being done as a multiple prime project, led through Hoxsie Builders. There was a potential conflict of interest, and a legal opinion was rendered allowing the project to go forward. The Division of State Architects (DSA) still has the plans. The campus has not given approval on the project manager at this point.

Mr. Patterson wanted to know if the Boys and Girls Club had determined that there is not a conflict of interest. Mr. John Rich of the Boys and Girls Club discussed the issue. In the case of the Hoxsies, the Board has made a decision to exclude them from the decision making process. Mr. Rich indicated that this has worked well over the last two

years. In addition, there are two party signatures on all of the checks. Mr. Rich noted that the Hoxsies would not be involved in any of the payments related to this project.

If there is a conflict, Mr. Howald asked what responsibility the Board of Trustees have toward this issue. For the future, Mr. Howald wanted to know how this is set up. Mr. Howald asked Dr. Lipton if the prescription addresses the problem. Dr. Lipton mentioned that it was not a legal concern for the District, but it could cause difficulties in the future. In terms of whether the District has a conflict itself, it relates to whether the members of the Board of Trustees have an interest in the contract, and the individual members of the Board do not. Dr. Lipton indicated that the Boys and Girls Club had handled this issue in a diligent manner and that it would not affect the decision making or the finances of the District's Board of Trustees. Dr. Lipton noted that under the contract, the Boys and Girls Club must retain the services of a general contractor and construct the building, but there are no other restrictions.

Mr. Howald asked if the contract should be amended to reflect that there is a project manager and not a general contractor. Dr. Lipton concurred that this would be a good suggestion, as a general contractor has not been selected, and that the contract could be amended to reflect the current situation.

Mr. Brahmbhatt noted that since the lease agreement has been put in place, there have been significant amounts of delays. Mr. Brahmbhatt commented that in a changing environment, the Boys and Girls Club must have enough funding before any project starts on the Golden West College campus, leaving a difficult scenario for the District. The District's remedy would be to terminate the lease and take over the lease – this would put the District in a challenging position. Mr. Brahmbhatt acknowledged the difficulty of raising funds in this period.

Mr. Patterson asked about the timeline, and the issue of DSA approval. Mr. Patterson noted that the District nor Boys and Girls Club have control, and perhaps the timeline should be changed to reflect the current reality.

Mr. Patterson noted that the District usually uses a prime contractor, as opposed to a general contractor. Mr. Brahmbhatt said there was no issue in making that change. From the District's perspective, there is no conflict of interest.

Ms. Hoxsie emphasized that the Boys and Girls Club meetings are all open. She noted that if anyone at the District had wanted to participate in the selection, it would have been invited. Ms. Hoxsie indicated her diligence in managing her relationship with her husband's role, and hers, with respect to the Boys and Girls Club.

Dr. Currie asked for Dr. Lipton's input about the existing contract language in the contract. Dr. Lipton emphasized that the contract is in breach in terms of the current language. If both sides agree, it seems necessary in his view, to update the contract with respect to the timelines that are in place. Dr. Lipton believes that the contract should be amended.

Mr. Brahmbhatt emphasized the "win-win" relationship that has prevailed with the Boys and Girls Club. He asked if the contract can be amended to allow the project to continue on, and it would be the most beneficial option for Golden West College. Mr. Howald noted that the non-DSA timelines should be amended. He wants to make sure that the funding is completely available before the project breaks ground, ensuring that the building will be finished.

Mr. Howald affirmed his commitment to seeing the project going forward, but that he wanted all of the paperwork and details to be completed so the project could be finished in due course.

Mr. Patterson suggested that Dr. Lipton write a new contract, to reflect the project manager function and to establish new timelines to incorporate the DSA approval process, and lastly, that there be some assurances to the District that funding is available for each phase as they come due. Mr. Rich affirmed that there should be three phases, and reconfirmed that the funding is the responsibility of the Boys and Girls Club.

Dr. Lipton noted that the selection of the contractor is entirely within the discretion of the Boys and Girls Club. Further, he stated he does not want his own comments to indicate that there is definitively not a conflict of interest, and ultimately, he has no legal opinion as to whether or not there is a legal conflict of interest, or not.

Mr. Patterson noted that if the District entered into an agreement, and did not have specific requirements for prevailing wage, it should be left alone. He did not recommend that it should be left out. Ms. Houlihan affirmed these comments, noting that the Boys and Girls Club would not be able to do the project if it had to pay those kinds of wages. Mr. Howald noted that the contract could redefine the Project Manager definition, and that the DSA exception could be added, and the financing of the completion. With that said, Mr. Howald asked when he and the Boys and Girls Club can present this item back to the Board of Trustees. Mr. Howald suggested that the committee could review the revision and try to place it on a future agenda for Trustee consideration. Dr. Lipton suggested that District staff and Boys and Girls staff work together and present something to him for review. Mr. Howald suggested on the timeline that there are exceptions made in the amendment with respect to DSA.

#### **8. Discussion: Types of Land Development Issues That Should Come to the Committee**

Mr. Howald noted the issue of better defining matters that would come to the Committee for consideration. Mr. Howald noted that the real question is, "What does the committee want to go through it before it goes through the Board?"

Mr. Patterson noted that new buildings, enlargements or additions to facilities should be brought to the Land Development Committee. Mr. Brahmbhatt commented that it was a new territory for the District and colleges – and that the campuses had designed their Master Plan, and buildings concerning that plan, had already been approved. Mr. Brahmbhatt noted that the Committee would be looking at available land for development purposes – what extra land is available and what can it be developed for? Mr. Brahmbhatt said that he is open for suggestion – and that if there is any new building going on with the campus, and if the Committee wants to have first-hand knowledge, he would be able to provide updates.

Dr. Currie noted that many of the projects are Measure C items, and have already been approved by the Board. She agreed with Mr. Brahmbhatt that looking at available land is more appropriate for the Committee. But, she indicated that the Committee can look at new buildings and Measure C projects if it wishes. She also indicated that there are leases that would be of interest to the Committee and that could be considered for discussion and updates. Dr. Currie noted that these are items that they should be aware of. Mr. Howald noted that long term leases should come before the committee – and asked if a diagram could be provided of District properties in Fountain Valley that have long-term leases. Dr. Currie suggested a review of all District properties that have leases at the next committee meeting. With a list, the Committee could review and ask

for more additional information, and also provide an update to the full Board.

Mr. Patterson also suggested that the Committee review the various Master Plans that are in place at the college, to understand how they are reviewed and updated, in order to make the Board aware of those matters.

Mr. Patterson mentioned student housing issues pertaining to Orange Coast College, as well as the parking lot issues at the Orange County Fairgrounds.

Mr. Brahmbhatt suggested that there could be a specific time of the committee meetings, as opposed to scheduling the meetings on an as needed basis. Mr. Howald noted that at this time, the Land Development Committee has the flexibility of not requiring the entire staff to be ready for the meetings – he did not want the staff to prepare extensively for these meetings.

Mr. Patterson wanted to know if there was more information on the parking issue at the Orange County Fairgrounds. Mr. Howald asked that this matter be addressed at a July or August meeting.

Mr. Howald noted that Trustee Hornbuckle had requested for a report on the Boys and Girls Club at the May 6 meeting. Mr. Patterson asked if someone could give a report to the full Board on May 6, largely because Trustee Hornbuckle requested it. Mr. Howald noted that the report could be very brief.

**9. Set Future Meeting Dates**

The Committee set June 3, 2009 at 2:00 p.m. for the next Land Development Committee Meeting.

**10. Adjourn**

There being no further business, the meeting was adjourned by Chair Howald at 4:16 p.m.