

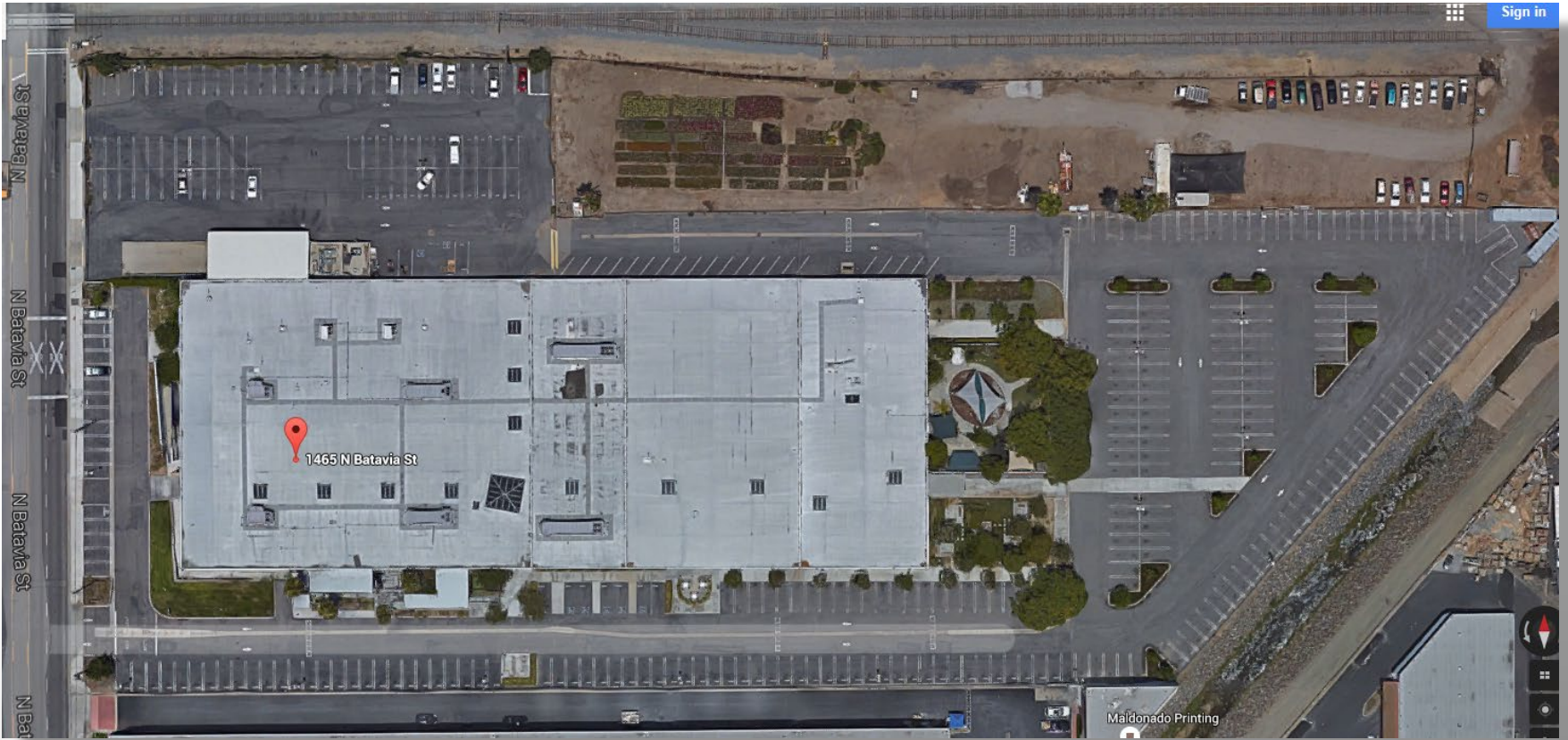
Orange Education Center Project Update

Board of Trustees Meeting
February 25, 2019



Santiago
Canyon
College

ORANGE EDUCATION CENTER



Topics

1. Need for Adult Education (AE) in Orange
2. Location of AE Center
3. Fiscal Feasibility of AE Center

Strong Community Need for OEC

City of Orange Demographics

➤ **Population: 140,289**

- White, non-Hispanic: 45%
- Hispanics: 39%
- Asian: 11%
- Other: 5%

➤ **Language:** 7% of Households are linguistically isolated, meaning that those in these households age 14 and over speak little or no English.

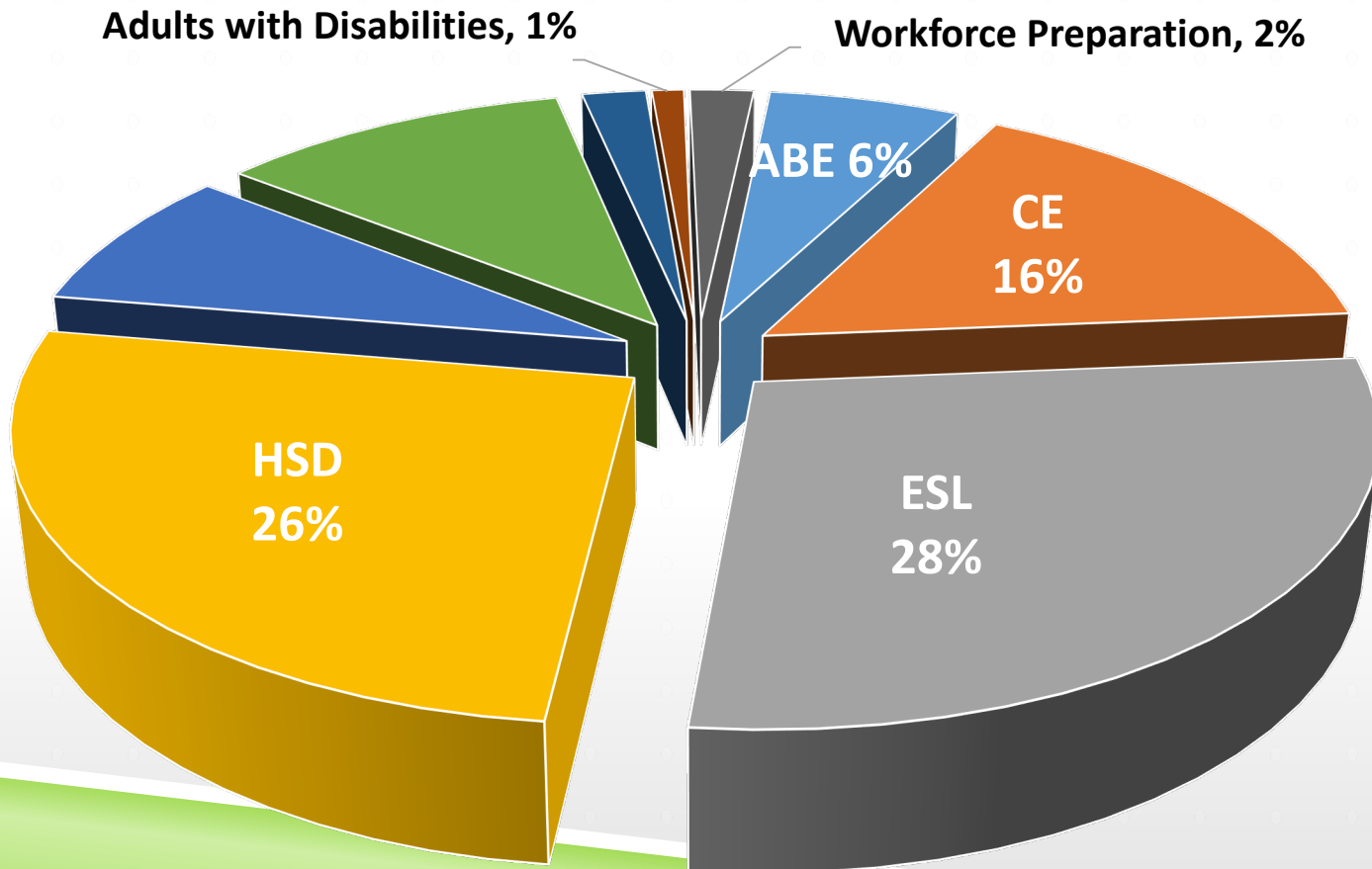
➤ **Education:** 16% of Adults 25 and over do not have a high school diploma; over 29% of Hispanic adults do not have a high school diploma.

➤ **Unemployment:** 5.7%

➤ **Adults with Disabilities:** 4,955 (3.5% of City Population)

PROGRAM OFFERINGS (%)

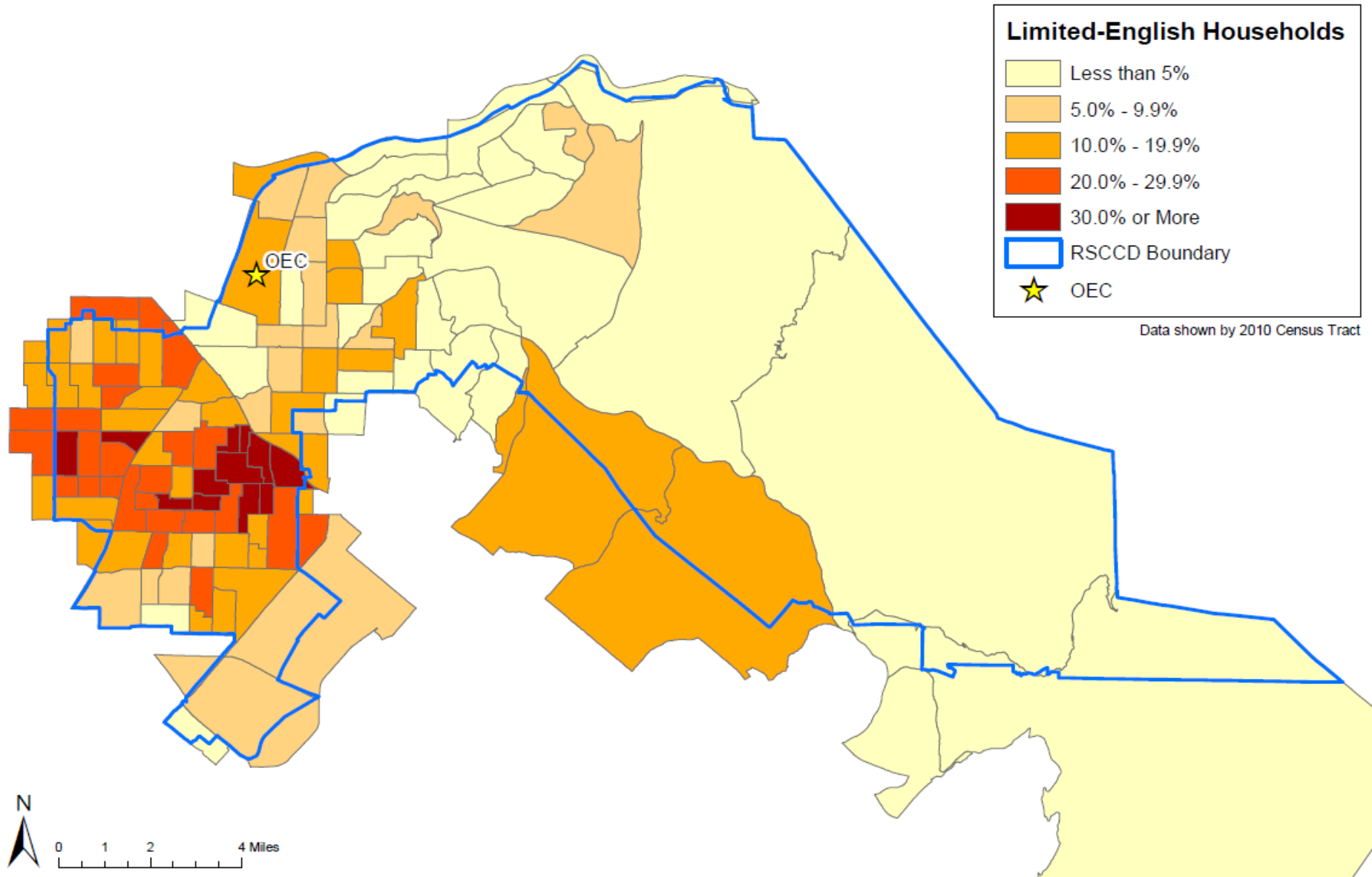
- Adult Basic Education (ABE)
- Career Education (CE)
- English as a Second Language (ESL)
- High School Diploma (HSD)
- Health & Safety
- Older Adult Education
- Parent Education
- Adults with Disabilities
- Workforce Preparation



79% of Program Offerings Address Community Barriers

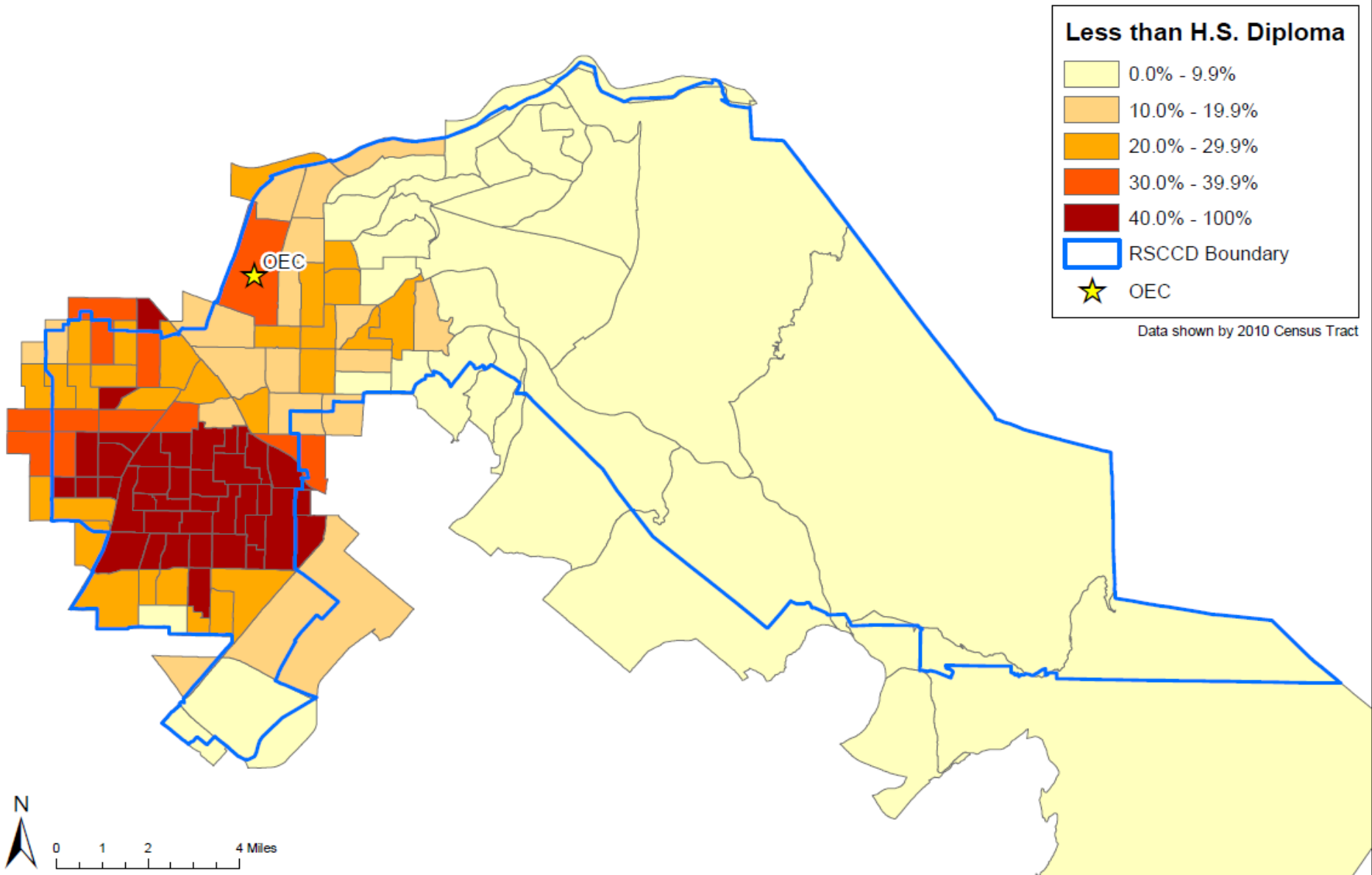
Limited English-Speaking Households As a Percentage of All Total Households

Rancho Santiago Community College District



Share of Population 25 Years and Over with Less than a High School Diploma (or Equivalency)

Rancho Santiago Community College District



Unemployed Population Age 16 and Over As a Percentage of the Total Civilian Labor Force

Rancho Santiago Community College District

Percent Unemployed

3.9% or Lower

4.0% - 4.9%

5.0% - 5.9%

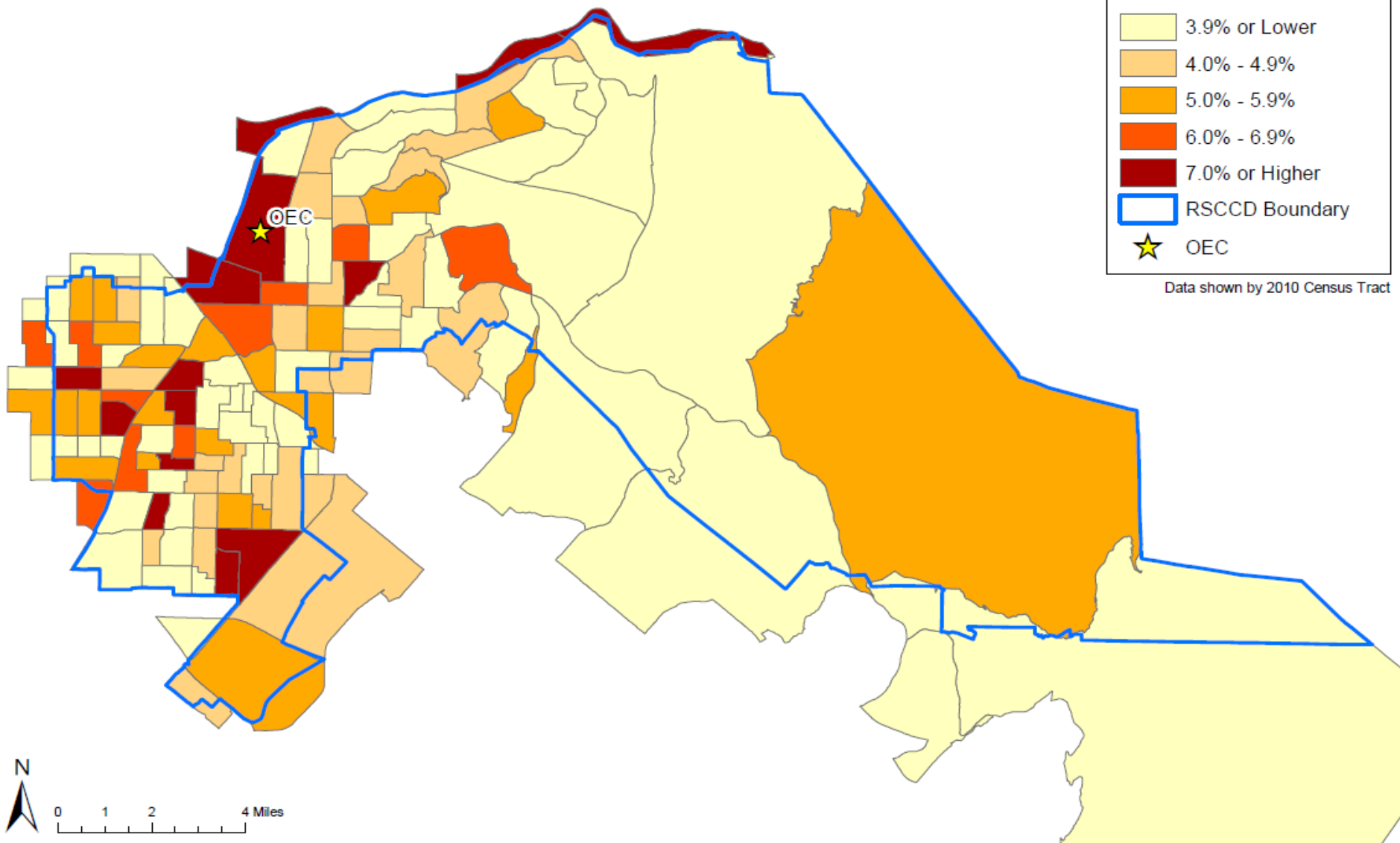
6.0% - 6.9%

7.0% or Higher

RSCCD Boundary

OEC

Data shown by 2010 Census Tract



ORANGE EDUCATION CENTER

- Approved by Board of Governors as an Authorized State Education Center in November 2009
- The State Center status base allocation funding of \$1.2 million per year acknowledges the cost of operating a full student service facility
- State Center status carries the responsibility of operating a full service facility for students (counseling, assessment, orientations, student lounge, learning resource center, etc.)
- The 2015-16 equalization of CDCP FTES to the higher credit FTES funding rate acknowledges the need and importance of these programs and services.

REVENUE 2009-2018

Year	Revenue	Potential Revenue*
2009-2010	\$8,867,262 (first year of State Center Status)	\$8,867,262
2010-2011	\$8,610,837	\$8,610,837
2011-2012	\$7,586,969	\$7,586,969
2012-2013	\$7,135,708 (classes moved January 2013)	\$7,135,708
2013-2014	\$6,905,416	\$10,654,452
2014-2015	\$6,686,872	\$10,671,834
2015-2016	\$9,185,220 (equalization of CDCP FTES rate)	\$14,104,730
2016-2017	\$9,770,803	\$15,086,294
2017-2018	\$9,839,463	\$15,285,369
TOTAL (Cumulative)	\$74,588,549	\$98,003,455

*Based on highest annual FTES earned (2008-09 CDCP FTES = 2,448; NC FTES = 542)

CONCLUSION

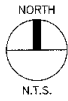
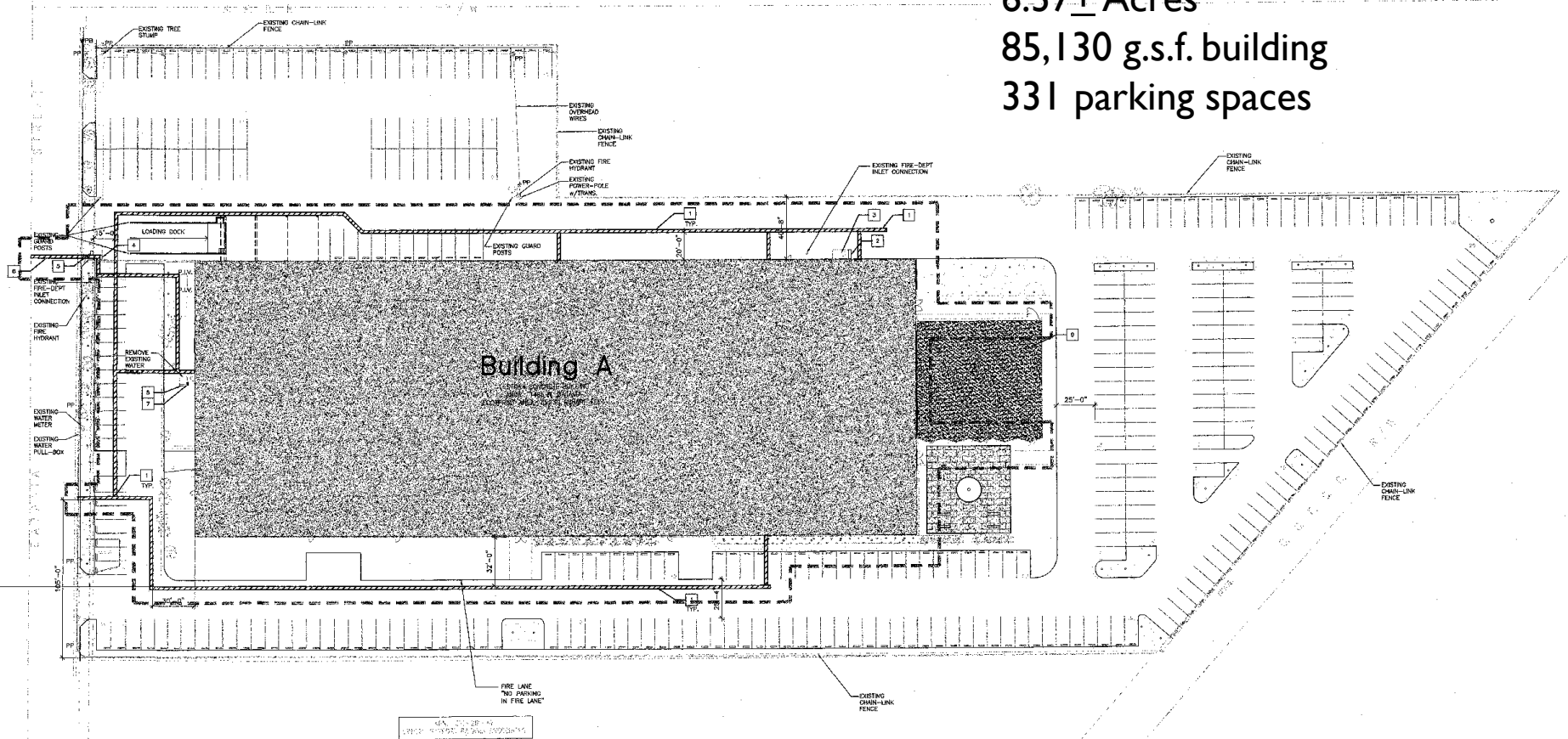
- An Adult Education Center is needed to serve many who are not currently being served and unable to benefit from increased academic and/or technical skills and thus unlikely to maximize their potential.
- Research maps confirm that the existing facility is located in the perfect location to serve our student population.
- No Risk - We know from the past that the existing facility will be successful.

HISTORY OF PROPERTY

- District purchased property and building in December 2003.
- Building was renovated for college use in 2004.
- Existing building is 85,130 g.s.f., concrete tilt-up industrial building on 6.37 acres of land.
- Built in 5 phases in the 1960s.
- In 2009 the program and building location receives State approved Adult Education Center status.
- Classes were relocated in 2012 from this location to leased space and the Santiago Canyon College main campus.
- Since 2013, District has been working on design options for rehabilitation of the building to ensure compliance with building codes, Division of State Architect (DSA) review and approval, and to comply with new environmental regulations for approval by the Orange County Health Care Agency (OCHCA).

EXISTING SITE PLAN

6.37+ Acres
85,130 g.s.f. building
331 parking spaces



EXISTING BUILDING CONDITIONS

- ▶ There are currently 26 classrooms for Continuing Education and 4 Child Development classrooms in the existing building.
- ▶ Structural upgrades are required to footings, roofing, and wall systems.
- ▶ Fire life safety upgrades are required including fire rating of the interior corridor, upgrades to the fire sprinkler system and fire alarm system.
- ▶ Accessibility (ADA) upgrades are required throughout the building.
- ▶ Electrical upgrades are required to meet new energy code.
- ▶ Child Development Center needs to meet current plumbing code requirements and play yard area requirements. The existing playground size is deficient and needs to be expanded.
- ▶ Hazardous material abatement work needed prior to start of construction activities.

PROJECT SUMMARY

Project Summary:

- ▶ DSA Certification of Orange Education Center
- ▶ Upgrade to meet current structural, fire & life safety, ADA and energy codes
- ▶ Partial demolition of existing building as well as relocation of some programs and services
- ▶ Proposed rehabilitated building reduced to 63,170 gross square foot (under review)
- ▶ This project assumes operation of an Adult Education Center and Child Development Center



Current Status:

- ▶ The agreement for environmental consultant services was approved by the Board of Trustees on December 10, 2018 to continue with the next phase of remediation planning services for the interim removal action response to be submitted to the OCHCA
- ▶ Design is on hold until environmental testing and review is completed

Budget:

\$34.66 million target (under review pending design)

\$33.53 million allocated

- \$1.34 million Measure E
- \$3.66 million SAC Redevelopment Funds
- \$4 million SCC Redevelopment Funds
- \$7 million Stabilization Funds
- \$14.43 million one-time Mandated Cost funds (State Budget Act)
- \$3.1 million from Settlement

TIMELINE OF PROJECT ACTIVITIES

2010	2011	2012	2013
<ul style="list-style-type: none">• Building investigations undertaken by design team and geotechnical engineer	<ul style="list-style-type: none">• Code compliance report (2010 code) completed• Cost estimates completed• Geotechnical report completed (2010 code)	<ul style="list-style-type: none">• Classes relocated to leased facility (1937 W. Chapman Ave) and SCC main campus	<ul style="list-style-type: none">• New RFP issued for Architect and Engineering Services for updating code compliance report due to code changes, which occurs every 3 years• District begins to explore design options for the building to ensure it meets Division of State Architect and is Building Code compliant

TIMELINE OF PROJECT ACTIVITIES

2014

- Updated code compliance report (2013 code)
- Updated geotechnical report (2013 code)
- Meetings with all user groups
- Multiple remediation options developed and assessed with 3 Options presented to Board of Trustees in October 2014
- Recommendation to proceed with Option 3 (partial demolition, renovation, reconfiguration)
- RFP for Architect and Engineering services to proceed with design of Option 3

2015

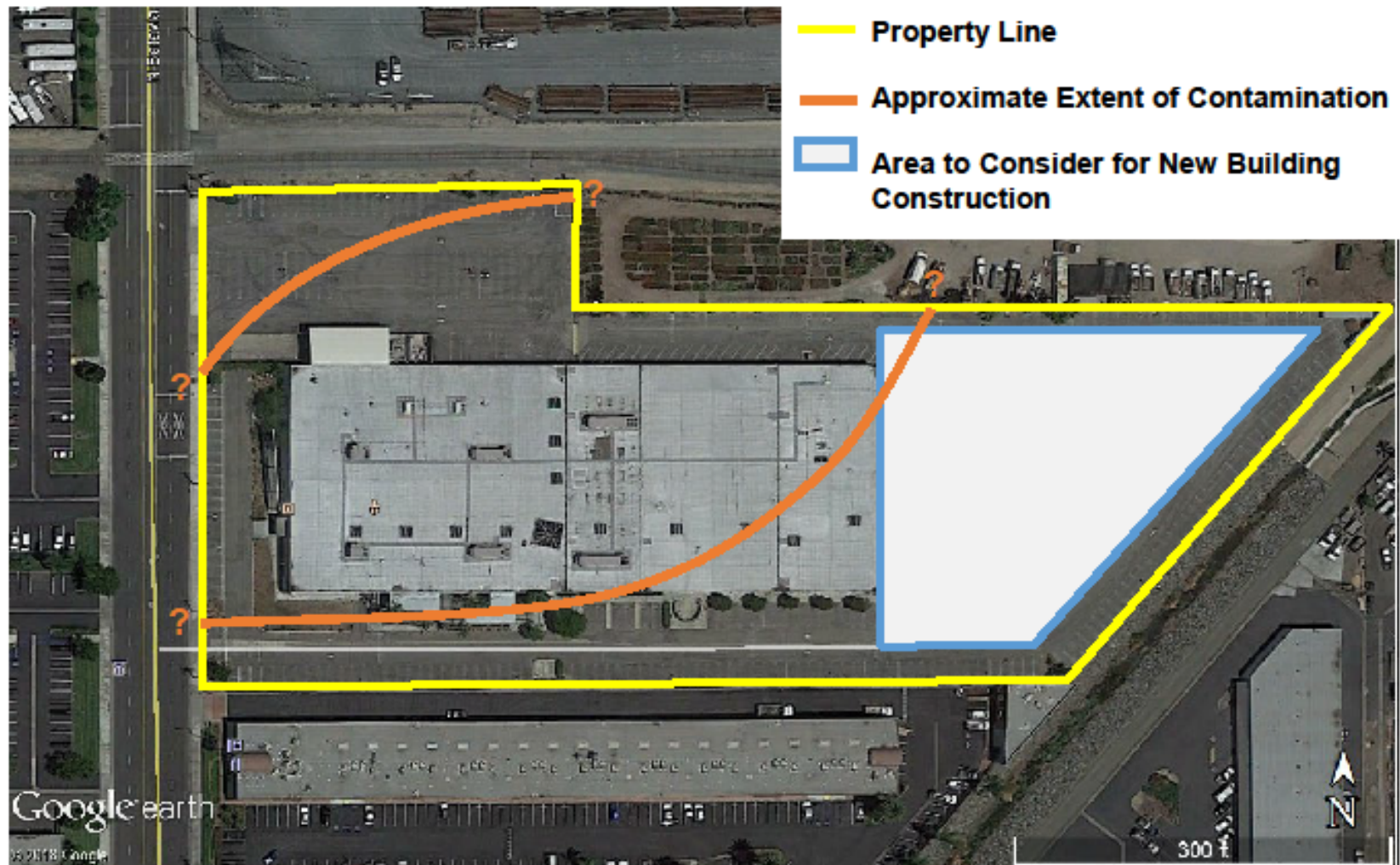
- Meeting with DSA and project team to review investigative testing requirements
- Investigative and partial destructive testing plan developed and coordinated with advisement from DSA and engineers
- Investigative and partial destructive testing undertaken
- Schematic design options developed for Option 3 and new cost estimates undertaken
- Project team developed multiple options for consideration to see if costs could be reduced
- Reviewed various scenarios and options and recommended to continue to proceed with Option 3
- Schematic design signed off and approved by user groups
- Dec-Board of Trustees approves the design renovation of the building.

TIMELINE OF PROJECT ACTIVITIES

2016	2017	2018
<ul style="list-style-type: none"> • Building investigations undertaken by design team, structural engineer and geotechnical engineer • Jul-meeting with OCHA • Nov-Work Plan submitted to OCHCA • Design activities for Option 3 placed on hold 	<ul style="list-style-type: none"> • Code compliance report (2010 code) completed • Cost estimates completed • Geotechnical report completed (2010 code) • Jan-OCHCA approved Work Plan • Feb-District Warehouse and Publication operations relocated to SCC Main Campus • Apr-Environmental soil and soil vapor sampling investigations • Aug-Sampling report submitted to OCHCA • Sept-Meeting with OCHCA • Nov-Work Plan Addendum No. 1 submitted to OCHCA • Architect develops additional building design concepts 	<ul style="list-style-type: none"> • Jan-OCHCA approves Work Plan Addendum No. 1 • Feb-Sampling investigations • Apr-OCHCA requests additional sampling • Jun-OCHCA approves additional sampling Work Plan Addendum No. 2 • Aug-Work Plan Addendum No. 2 sampling results and report sent to OCHCA • Oct-OCHCA acknowledges Work Plan Addendum No. 2 report and requests plan for Interim Removal Action Plan and Remediation Action Plan • Dec-Board approves consultant contract for development of Interim Removal Action Plan and Remediation Action Plan

CURRENT AND UPCOMING ENVIRONMENTAL ACTIVITIES

- ▶ Environmental Consultant just recently completed destructive testing in the building and is evaluating whether additional sampling is needed.
- ▶ The consultant is to prepare an Interim Response Action Plan and Remediation Action Plan to be submitted to the OCHCA for approval.
- ▶ The Environmental Remediation Action Plan is contingent upon the recommendation of the design option as the remediation engineering plans may change depending on the design option that is selected.



Area to Consider for New Building Construction

RSCCD – Orange Education Center
 1465 N. Batavia Street
 Orange, California

Project No:
 16-42-158-11



Converse Consultants

FIGURE 2

PROJECT OPTIONS

SELL THE PROPERTY

Option	Environmental Challenges	District Considerations
<p>1. Do nothing and sell the property and building as-is</p>	<ul style="list-style-type: none"> The District is a responsible party by law for the environmental condition of the property, must disclose condition to potential buyers and may be ordered by the OCHCA to take action to remediate the site regardless of desire to sell. 	<ul style="list-style-type: none"> Significant reduction in sale price. On-going costs as District continues to have liability for future environmental remediation.
<p>2. Remediate and clean-up the property and sell the building as-is</p>	<ul style="list-style-type: none"> Presence of an existing building will impact the remediation efforts. Completion of remedial activities to a Commercial standard could take between 7-9 years. 	<ul style="list-style-type: none"> Increased costs for installation of remediation system due to existing building. Building needs to be repaired by buyer for occupancy due to existing destructive testing which may result in potential devaluation in sale.
<p>3. Demolish the existing building, remediate and clean-up the property and sell</p>	<ul style="list-style-type: none"> Removal of the existing building will help facilitate remedial activities. Completion of remedial activities to a Commercial standard could take between 7-9 years. 	<ul style="list-style-type: none"> The remedial costs would likely decrease. However, the demolition costs makes this option less cost effective.

RENOVATE EXISTING BUILDING

Option	Environmental Challenges	District Considerations
<p>4. Renovate Existing Building (85,130 sf) and clean-up to a Residential Standard</p>	<ul style="list-style-type: none"> • Presence of an existing building will impact the remediation efforts. • Completion of remedial activities to a Residential standard could take between 8-13 years and it is unknown if a Residential clean-up standard can be achieved. • Meeting a Residential clean-up standard could allow for a Child Development Center operations but it is not guaranteed. 	<ul style="list-style-type: none"> • The building has to be upgraded for DSA standards and include a remediation system. • The remediation system may need to be augmented depending upon confirmation sampling. • Mitigation measures may need to be incorporated into the design of the building. • A high cost for environmental remediation is associated with this option. • Target occupancy is over 5 years and may not be achievable.
<p>5. Renovate Existing Building (85,130 sf) and clean-up to a Commercial Standard</p>	<ul style="list-style-type: none"> • Presence of an existing building will impact the remediation efforts. • Completion of remedial activities to a Commercial standard could take between 7-9 years. 	<ul style="list-style-type: none"> • The building has to be upgraded for DSA standards and include a remediation system. • The remediation system may need to be augmented depending upon confirmation sampling. • Mitigation measures may need to be incorporated into the design of the building. • A high cost for environmental remediation is associated with this option. • Target occupancy is over 5 years.

RENOVATE & REDUCE BUILDING SIZE

Option	Environmental Challenges	District Considerations
6. Renovate and Reduce Existing Building (66,000 sf) and clean-up to a Residential Standard	<ul style="list-style-type: none">• Presence of an existing building will impact the remediation efforts.• Completion of remedial activities to a Residential standard could take between 8-13 years and it is unknown if a Residential clean-up standard can be achieved.• Meeting a Residential clean-up standard could allow for a Child Development Center operations but it is not guaranteed.	<ul style="list-style-type: none">• The building has to be upgraded for DSA standards and include a remediation system.• The remediation system may need to be augmented depending upon confirmation sampling.• Mitigation measures may need to be incorporated into the design of the building.• A high cost for environmental remediation is associated with this option.• Target occupancy is over 5 years and may not be achievable.
7. Renovate and Reduce Existing Building (55,000 sf) and clean-up to a Commercial Standard	<ul style="list-style-type: none">• Presence of an existing building will impact the remediation efforts.• Completion of remedial activities to a Commercial standard could take between 7-9 years.	<ul style="list-style-type: none">• The building has to be upgraded for DSA standards and include a remediation system.• The remediation system may need to be augmented depending upon confirmation sampling.• Mitigation measures may need to be incorporated into the design of the building.• A high cost for environmental remediation is associated with this option.• Target occupancy is over 5 years.

CONSTRUCT NEW BUILDING

Option	Environmental Challenges	District Considerations
<p>8. Demolish existing building and build a new building (55,000/66,000 sf) on the easterly portion of the property</p> <p>a. Residential clean-up standard</p> <p>b. Commercial clean-up standard</p>	<p>a. Completion of remedial activities on the entire property to a Residential standard could take between 8-13 years and it is unknown if a Residential clean-up standard can be achieved for the entire property but it <u>may</u> be achieved for the easterly portion of the property depending upon confirmation sampling.</p> <p>b. Completion of remedial activities to a Commercial standard could take between 7-9 years for the west side but not on the easterly portion of the property because that portion of the property appears to be unimpacted.</p> <ul style="list-style-type: none"> Ensuring the easterly portion of the property remains unimpacted through confirmation sampling. 	<ul style="list-style-type: none"> Environmental remediation of the site can occur concurrently with new building construction activities. Re-occupancy of the new building is independent from remediation activities. Target occupancy could occur in less than 5 years. If the District is able to reach a Residential clean-up standard for the east portion of the property this would result in an unrestricted land use. Rebuilding on the east portion of the property is the most expeditious option to reopening the Center. Added costs for demolition. Costs will vary for residential or commercial remediation.

RECOMMENDATION

- ▶ Proceed with Option 8 which would allow the District to develop a design of a new building on the easterly (unimpacted) portion of the property and seek to meet either a Residential or Commercial clean-up standard depending upon confirmation sampling once remediation efforts are implemented.
- ▶ Provide the Board with a future update and report upon further progress of a design, scope of work, anticipated cost and timeline.

DISCUSSION & QUESTIONS