

Monterey Peninsula Community College District

Governing Board Agenda

September 26, 2012

New Business Agenda Item No. F

Administrative Services
College Area

Proposal:

That the Governing Board approve Resolution No. 2012-2013/25 in conjunction with the Request For Proposals for a joint occupancy facility located on Parking Lot A of Monterey Peninsula College, 980 Fremont, Monterey, CA 93940.

Background:

The community college system has experienced significant revenue cuts over the past three years as a result of a deep national and state recession. Starting in 2009-2010, MPC has experienced an ongoing reduction in state revenues of \$5.4M. This could increase to \$6.3M if Proposition 30 does not pass in November. The restoration of these funds is unlikely for years to come and the continued reliance on state funding will undermine the fiscal stability of this institution. In light of these budgetary pressures, MPC should consider other entrepreneurial revenue sources to augment state support.

At the August 22, 2012 Regular Board Meeting, the Governing Board received information related to a Letter of Intent (LOI) with the Automotive Heritage and Preservation Foundation (AHPF) to investigate development of a private/public partnership. The Board directed staff to develop a Request for Proposals to examine private/public partnerships in the form of a joint occupancy facility. Joint occupancy facilities are permitted and regulated by Education Code Sections 81390, 81392, and 81400. The Board resolution and Request for Proposals were developed with the assistance of District legal counsel, Public Agency Law Group.

The RFP is the first step in a long series of actions and determinations that the board will have to consider before any type of private / public partnership is formalized. The advertisement of the RFP and examination of proposals does not obligate the District to any legal or financial commitments at this point. The RFP has been advertised in the Monterey Herald and is now available for dissemination. Administration is working on identifying other conduits for the appropriate distribution of this RFP.

Below is a conceptual time table for the processing, examination and negotiation of a Joint Occupancy Agreement (see attached Revised Timeline, as revised below):

RFP advertised and issued	September 14, 2012 (see attached)
Proposal Development	September 14, to October 31 December 31, 2012
Proposals Due to District	October 31, 2012 December 31, 2012
Review and Evaluation of Proposals	October 31 to December 12 January 1 to March 1, 2013
District Board Approval of Selection	December 12, 2012 March 27, 2013
Negotiation of ERNA	January, 2013 April 2013
District Board Approval of ERNA	February, 2013 May 22, 2013
Negotiation of JOA	March, 2013 to April, 2013 June to July 2013
District Board Approval of JOA	May, 2013 August 28, 2013
Commencement of Development Activities	<u>June, 2013</u> September 2013

Budgetary Implications: None at this time.

RESOLUTION:

**MONTEREY PENINSULA COMMUNITY COLLEGE DISTRICT
RESOLUTION NO. 2012-2013/25
PARKING LOT A
JOINT OCCUPANCY REQUEST FOR PROPOSALS**

WHEREAS, the primary source of District operating budget is through funds allocated to the District by the State of California.

WHEREAS, the District has experienced significant reductions in budget funds allocated to the District by the State of California.

WHEREAS, the budget funding reductions sustained by the District threaten the long term fiscal stability of the District and the District's continuing ability to meet its core educational mission.

WHEREAS, the District does not anticipate improvement or augmentation of the budget reductions in the foreseeable future; the District anticipates future additional reductions in budget funds allocated to the District by the State of California.

WHEREAS, to mitigate the effect of State of California budget reductions, the District should consider all available alternatives and opportunities to augment State of California budget funds which are consistent with limitations or requirements established by applicable law, such alternatives or opportunities may include, without limitation, District entrepreneurial activities, District participation with public or private entities in revenue generating activities and/or maximizing revenue generated by the District's real property assets.

WHEREAS, Education Code §§81390 et seq authorizes the District to enter into agreements with private sector entities for the joint occupancy of District real property by the District and private sector entities.

WHEREAS, Education Code §81394 establishes authority of the District to require, as part of any joint occupancy agreement that the private sector joint occupant of District property construct building(s) for joint use by the District and the private sector joint occupant.

WHEREAS, Education Code §81393 limits the term of joint occupancy agreements to a maximum term of sixty six (66) years.

WHEREAS, the real property assets of the District includes certain real property commonly described as Parking Lot A, located at 980 Fremont Street, Monterey, California 93490 and identified by the Monterey County Assessor's Office as APN 001-781-023 ("Parking Lot A").

WHEREAS, the District's current, existing use of Parking Lot A for parking purposes does not reflect the "highest and best use" of the real property upon which Parking Lot A is situated; the term "highest and best use" as used herein is as defined by the Appraisal Institute as the reasonably probable and legal use of property that is physically possible, appropriately supported and which results in the highest valuation of the real property asset.

MONTEREY PENINSULA COMMUNITY COLLEGE DISTRICT
GOVERNING BOARD OF TRUSTEES
REGULAR BOARD MEETING, SEPTEMBER 26, 2012
NEW BUSINESS AGENDA ITEM NO. F.

Revised Timeline

Request for Proposals (RFP)

Joint Occupancy Facility located on Parking Lot A

Monterey Peninsula College

980 Fremont St., Monterey, CA 93940

RFP advertised and issued	September 14, 2012
Proposal Development	September 14 to December 31, 2012
Proposals Due to District	December 31, 2012
Review and Evaluation of Proposals	January 1 to March 1, 2013
District Board Approval of Selection	March 27, 2013
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District Board Approval of ERNA	May 22, 2013
Negotiation of JOA	June to July 2013
District Board Approval of JOA	August 28, 2013
Commencement of Development Activities	September 2013

NOW THEREFORE BE IT HEREBY RESOLVED that the Board of Trustees of Monterey Peninsula Community College District hereby adopt the following Resolutions:

RESOLVED, to augment State of California budget fund reductions, the District must consider alternatives uses of Parking Lot A in order to achieve the highest and best use of Parking Lot A and the real property upon which Parking Lot A is situated.

FURTHER RESOLVED, that joint occupancy of Parking Lot A by the District and a private sector entity provides a potential alternative for the District to generate revenue and achieve the highest and best use of the Parking Lot A real property.

FURTHER RESOLVED, that the District's Superintendent or such District staff member(s) designated by the Superintendent are authorized and directed to prepare and issue a Request for Proposal (RFP) soliciting responsive proposals from private sector entities for the joint occupancy of Parking Lot A.

FURTHER RESOLVED, the RFP shall include without limitation: (i) incorporation of requirements and limitations conforming to Education Code §81390 et seq.; (ii) require identification of the proposed use(s) of joint occupancy facilities by the private sector proposer; and (iii) identify potential uses of the joint occupancy facilities by the District for the District's academic programs or other District purposes.

FURTHER RESOLVED, upon receipt of proposals in response to the RFP, the District's Superintendent or such District staff member(s) designated by the Superintendent are authorized and directed to evaluate such proposal(s) to determine which proposal is in the best interests of the District.

FURTHER RESOLVED, that upon completion of the RFP solicitation, proposal and proposal review process described in the foregoing Resolutions, the District's Superintendent or such District staff member(s) designated by the Superintendent shall present a report of findings and conclusions to the District's Board of Trustees at a regularly scheduled meeting of the Board of Trustees for further review, consideration and evaluation by the Board of Trustees.

NOW, THEREFORE, BE IT RESOLVED, that the Governing Board approve Resolution No. 2012-2013/25 in conjunction with the Request For Proposals for a joint occupancy facility located on Parking Lot A of Monterey Peninsula College, 980 Fremont, Monterey, CA 93940.

APPROVED AND ADOPTED by the Board of Trustees of Monterey Peninsula Community College District this 26th day of September, 2012 by the following vote:

AYES: Brown / Coppernoll / Gustafson / Johnson / Steck

NOES: None

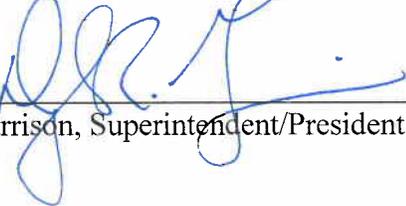
ABSTAIN: None

ABSENT: None


Secretary/Clerk, Board of Trustees,
Monterey Peninsula Community College

Recommended By: 
Stephen Ma, Vice President for Administrative Services

Prepared By: 
Suzanne Ammons, Administrative Assistant

Agenda Approval: 
Douglas Garrison, Superintendent/President
