TO: Members of the Board of Trustees  
FROM: Francisco C. Rodriguez, Chancellor  
DATE: June 17, 2015  
SUBJECT: BOARD LETTER FOR JUNE 24, 2015 MEETING

Board Meeting Location  
Next week’s Board meeting will be held at the Educational Services Center. The meeting times and locations are as follows:

<table>
<thead>
<tr>
<th>Meetings</th>
<th>Time</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>Institutional Effectiveness &amp; Student Success Committee</td>
<td>12:45 p.m. – 1:45 p.m.</td>
<td>Board Room</td>
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<tr>
<td>Break</td>
<td>1:45 p.m. – 2:00 p.m.</td>
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<tr>
<td>Facilities Master Planning &amp; Oversight Committee</td>
<td>2:00 p.m. – 3:00 p.m.</td>
<td>Board Room</td>
</tr>
<tr>
<td>First Public Session</td>
<td>3:00 p.m.</td>
<td>Board Room</td>
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<tr>
<td>Recess to Reception in honor of Board Members Mona Field and Steve Veres</td>
<td>3:30 p.m.</td>
<td>Board Foyer</td>
</tr>
<tr>
<td>Reconvene Second Closed Session</td>
<td>4:00 p.m.</td>
<td>Board Room</td>
</tr>
<tr>
<td>Recess to Closed Session</td>
<td>Immediately Following Second Public Session</td>
<td>Hearing Room</td>
</tr>
<tr>
<td>Reconvene Third Public Session</td>
<td>Immediately Following Closed Session</td>
<td>Hearing Room</td>
</tr>
</tbody>
</table>

Institutional Effectiveness & Student Success (Eng-Chair, Field-Vice Chair, Moreno-Member)  
The committee will meet from 12:45 p.m. to 1:45 p.m., in the Board Room. For the committee’s agenda, refer to Attachment A.

Facilities Master Planning & Oversight Committee (Veres-Chair, Svonkin-Vice Chair, Moreno-Member)  
The committee will meet from 2:00 p.m. to 3:00 p.m., in the Board Room. For the committee’s agenda, refer to Attachment B. The agenda and supporting documents may be viewed by clicking on the following link:

Confidential Matters
The attached correspondence is confidential and should not be shared with other persons.

- **Office of General Counsel**
  - Enclosed for your review is the District-related Litigation Report. *(Refer to Attachment C)*
  - Enclosed for your review is the Bond-related litigation Report. *(Refer to Attachment D)*

Other Matters

- **Chief Financial Office**
  - Enclosed for your review is information regarding Board agenda item BF2 – Adopt a Resolution to Authorize Debt Service Estimate, which will be presented for Board approval at the June 24th meeting. *(Refer to Attachment E)*
  - Enclosed for your review is information regarding Board agenda item BF1 – Adoption of 2015-2016 Tentative Budget, which will be presented for Board approval at the June 24th meeting. Due to the size of this document, it will be sent via U.S. mail. *(Refer to Attachment F)*

- **Facilities Planning and Development** – Enclosed for your review is information regarding a Board agenda item FPD2 on Harbor Teacher Preparation Academy project at Los Angeles Harbor College which will be presented for Board approval at the June 24th meeting. *(Refer to Attachment G)*

Please let me know should you have any questions regarding the meeting.
LOS ANGELES COMMUNITY COLLEGE DISTRICT
BOARD OF TRUSTEES
INSTITUTIONAL EFFECTIVENESS & STUDENT SUCCESS COMMITTEE
Educational Services Center
Board Room – First Floor
770 Wilshire Boulevard
Los Angeles, CA 90017
Wednesday, June 24, 2015
12:45 p.m. – 1:45 p.m.

Committee Members
Mike Eng, Chair
Mona Field, Vice Chair
Ernest H. Moreno, Member
Steve Veres, Alternate
Bobbi Kimble, Staff Liaison
Felicito “Chito” Cajayon, Staff Liaison
Erika A. Endrijonas, College President Liaison

Agenda
(Items may be taken out of order)

I. ROLL CALL

II. PUBLIC SPEAKERS*

III. REPORTS
   A. 2015 LACCD Student Success Scorecard Preview (Exhibit A)
   B. East Los Angeles College Mission Statement Revision (Exhibit B)
   C. Accreditation Update

IV. FUTURE INSTITUTIONAL EFFECTIVENESS & STUDENT SUCCESS COMMITTEE MEETING DATES

V. NEW BUSINESS

VI. SUMMARY – NEXT MEETING.................................................................Mike Eng

VII. ADJOURNMENT

*Members of the public are allotted five minutes time to address the agenda issues.

If requested, the agenda shall be made available in appropriate alternate formats to persons with a disability, as required by Section 202 of the American with Disabilities Act of 1990 (42 U.S.C. Section 12132), and the rules and regulations adopted in implementation thereof. The agenda shall include information regarding how, for whom, and when a request for disability-related modification or
accommodation, including auxiliary aids or services may be made by a person with a disability who requires a modification or accommodation in order to participate in the public meeting.

To make such a request, please contact the Executive Secretary to the Board of Trustees at 213/891-2044 no later than 12 p.m. (noon) on the Friday prior to the Committee meeting.
I. ROLL CALL

II. PUBLIC SPEAKERS*

III. REPORTS/RECOMMENDATIONS/ACTIONS
  A. Presentation/Initiative Review(s)
  - Los Angeles Mission College Draft Facilities Master Plan Review
    (ATTACHMENT A)

IV. NEW BUSINESS

V. SUMMARY – NEXT MEETING ................................................................. Steve Veres

VI. ADJOURNMENT

*Members of the public are allotted five minutes time to address the agenda issues.

If requested, the agenda shall be made available in appropriate alternate formats to persons with a disability, as required by Section 202 of the American with Disabilities Act of 1990 (42 U.S.C. Section 12132), and the rules and regulations adopted in implementation thereof. The agenda shall include information regarding how, for whom, and when a request for disability-related modification or accommodation, including auxiliary aids or services may be made by a person with a disability who requires a modification or accommodation in order to participate in the public meeting.

To make such a request, please contact the Executive Secretary to the Board of Trustees at 213/891-2044 no later than 12 p.m. (noon) on the Tuesday prior to the Board meeting.
ADDENDUM TO THE LOS ANGELES MISSION COLLEGE 2009 FACILITIES MASTER PLAN SUPPLEMENTAL ENVIRONMENTAL IMPACT REPORT

Introduction

This Addendum to the Los Angeles Mission College ("LAMC") 2009 Facilities Master Plan Supplemental EIR (Supplemental EIR) has been prepared pursuant to Title 14 of the California Code of Regulations ("CCR") section 15164.

LAMC’s Supplemental EIR represents the most current document analyzing the environmental effects of Mission College’s facilities plan under the California Environmental Quality Act (“CEQA”). The Supplemental EIR analyzes the effect of many proposed campus projects, including two projects that LAMC no longer intends to undertake at this time, (1) the development of the nursery property on the north side of Hubbard Street ("Nursery Property"), and (2) the construction of athletic fields near the East Campus ("Athletic Fields").

In light of the fact that the LAMC is not going forward with the Nursery Property and Athletic Field projects, LAMC evaluated whether any changes to the traffic mitigation measures in the Supplemental EIR were warranted. LAMC retained Linscott Law & Greenspan, a traffic engineering company, to conduct the traffic analysis. Their analysis is included as Exhibit A to this Addendum. As provided in the traffic analysis, substantial evidence supports modifications to the traffic mitigation measures contained in the Supplemental EIR due to (1) LAMC’s decision not to go forward with the Nursery Property or Athletic Field projects at this time, and (2) due to the fact that certain traffic mitigation measures contained in the Supplemental EIR have been completed by other parties, thereby negating the need for LAMC to complete the mitigation measures.

Project location

This Addendum to the Supplemental EIR relates to the LAMC campus - Main LAMC Campus (13356 Eldridge Avenue, Sylmar, CA 91342-3245), East LAMC Campus (Corner of Harding Street and Maclay Street), and Hubbard Street Nursery Site (west of the LAMC Main Campus, on Hubbard Street between Lexicon Avenue and Eldridge Avenue) - as well as the surrounding environs.

Current Request

LAMC seeks a modification to the Supplemental EIR to incorporate modifications of previously approved mitigation obligations with respect to traffic impacts. Specifically, LAMC seeks to defer traffic mitigation measures associated with the deferred Nursery Property and Athletic Fields projects, and to delete traffic mitigation measures that have been completed by other parties. The Proposed modifications to the Supplemental EIR Mitigation, Monitoring, and Reporting Program ("MMRP"), in red-line format, are contained in Exhibit B to this Addendum, and are based on the traffic analysis conducted by Linscott Law & Greenspan.
CEQA Guidelines Section 15162 and 15164 Determination

Consistent with the requirements of CEQA Guidelines Section 15162, the Los Angeles Community College District Board of Trustees (“Board”) must determine whether the proposed changes to the Supplemental EIR MMRP trigger the need for a subsequent EIR. Under CEQA, when an EIR has been certified for a project, no subsequent EIR shall be prepared for that project unless the lead agency determines, on the basis of substantial evidence in the light of the whole record, one or more of the following:

(1) Substantial changes are proposed in the project which will require major revisions of the previous EIR or negative declaration due to the involvement of a new significant environmental effects or a substantial increase in the severity of previously identified significant effects;

(2) Substantial changes occur with respect to the circumstances under which the project is undertaken which will require major revisions of the previous EIR or negative declaration due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified effects; or

(3) New information of substantial importance, which was not known and could not have been known with the exercise of reasonable diligence at the time the previous EIR was certified as complete or the negative declaration was adopted, shows and of the following:

   (A) The project will have one or more significant effects not discussed in the previous EIR or negative declaration;

   (B) Significant effects previously examined will be substantially more severe than shown in the previous EIR;

   (C) Mitigation measure or alternatives previously found not to be feasible would in fact be feasible and would substantially reduce one or more significant effects of the project, but the project proponents decline to adopt the mitigation measure or alternative; or

   (D) Mitigation measures or alternatives which are considerably different from those analyzed in the previous EIR would substantially reduce one or more significant effects on the environment, but the project proponents decline to adopt the mitigation measure or alternative.

If any of the triggers set forth above occurs, the Board would be required to prepare a subsequent EIR, unless “only minor additions or changes would be necessary to make the previous EIR adequately apply to the project in the changed situation,” in which case a “supplement to an EIR” would suffice (see CEQA Guidelines, §15163). If there are no grounds for either a subsequent EIR or a supplement to an EIR, then the District may prepare an addendum pursuant to CEQA Guidelines, Section 15164, explaining why “some changes or additions” to the Supplemental EIR “are necessary but none of the conditions described in Section 15162 calling for preparation of a subsequent EIR have occurred.”
Staff has concluded that an Addendum to the Supplemental EIR is the appropriate document under CEQA for the request to modify the Supplemental EIR MMRP for the following reasons:

   a. The proposed revisions to the Supplemental EIR MMRP would not alter any of the conclusions of the Supplemental EIR regarding the significance of environmental impacts. The proposed revisions will not increase the number of facilities at LAMC, will not change approved student enrollment numbers, or change land use designations. Therefore, the impacts on the physical environment will be unchanged by this Addendum.

   b. The proposed modifications to the traffic mitigation measures will not decrease the effectiveness of the Supplemental EIR MMRP because the mitigation measures are only being modified where (1) the traffic analysis completed by Linscott Law & Greenspan has determined that a mitigation measure, or portion thereof, can be deferred because the Nursery Property and Athletic Field projects are not going forward, and (2) the traffic analysis completed by Linscott Law & Greenspan has determined that certain mitigation measures contemplated under the Supplemental EIR MMRP have already been completed by another party.

   Exhibit A: Linscott Law & Greenspan Traffic Analysis.

   Exhibit B: Proposed modifications to the Supplemental EIR MMRP, in red-line format.
### MITIGATION MONITORING AND REPORTING PROGRAM

<table>
<thead>
<tr>
<th>Potential Significant Impacts</th>
<th>Mitigation Measures</th>
<th>Implementing Party</th>
<th>Monitoring Party</th>
<th>Monitoring Frequency</th>
<th>Outside Agency Coordination</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TRANSPORTATION AND TRAFFIC</strong></td>
<td></td>
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<tr>
<td>IMP T-2: The Maclay Street/Harding Street intersection would experience LOS F during the PM Peak Hour</td>
<td>MM T-2: Signallize intersection prior to Project completion. This measure is recommended for deferral (project PM peak hour impact tied to the Nursery Property and Athletic Fields).</td>
<td>LAMC</td>
<td>LACCD</td>
<td>Once</td>
<td>Los Angeles Department of Transportation (LADOT) Caltrans</td>
</tr>
<tr>
<td>IMP T-5: Inadequate parking at East Campus (temporary until December 2010)</td>
<td>MM T-5: Provide a shuttle service from the Main Campus to the East Campus and provide temporary free parking in the parking structure. Mitigation no longer required.</td>
<td>LAMC</td>
<td>LACCD</td>
<td>Once</td>
<td>Los Angeles Department of Transportation (LADOT) Caltrans</td>
</tr>
<tr>
<td><em>The proposed Mission College Master Plan buildout is anticipated to contribute traffic volume to the surrounding roadway circulation system resulting in significant project and cumulative traffic impacts at several study intersections.</em></td>
<td>MM T-1*: Hubbard Street/Foothill Boulevard: The District shall provide restriping to add a westbound right-turn lane at the completion of Project Construction.</td>
<td>LAMC</td>
<td>LACCD</td>
<td>Once during design</td>
<td>Los Angeles Department of Transportation (LADOT) Caltrans</td>
</tr>
<tr>
<td></td>
<td>MM T-2*: Hubbard Street/I-210 EB Ramps: The District shall fund the purchase and installation of restriping to add a northbound right-turn lane (requires removing parking from NB leg between Foothill Boulevard and EB ramps) at the completion of Project Construction.</td>
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<td></td>
<td>MM T-3*: Hubbard Street/ 210 WB Ramps: The District shall fund the purchase and installation of ATSAC control at this location and for inclusion of the intersection in the ATCS network at the completion of Project Construction. ATCS mitigation completed by others.</td>
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<td></td>
<td>MM T-4*: Hubbard Street/Gladstone Avenue: The District shall fund the purchase and installation of ATSAC control at this location and for inclusion of the intersection in the ATCS network at the completion of Project Construction. ATCS mitigation completed by others.</td>
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</tbody>
</table>
## Appendix L Mitigation Monitoring and Reporting Program

### MITIGATION MONITORING AND REPORTING PROGRAM

<table>
<thead>
<tr>
<th>Potential Significant Impacts</th>
<th>Mitigation Measures</th>
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<th>Monitoring Party</th>
<th>Monitoring Frequency</th>
<th>Outside Agency Coordination</th>
</tr>
</thead>
<tbody>
<tr>
<td>and cumulative traffic impacts at several study intersections (cont.)</td>
<td>MM T-5*: Hubbard Street/Eldridge Avenue: The District shall fund the purchase and installation of ATSAC control at this location and for inclusion of the intersection in the ATCS network, and [ATCS mitigation completed by others.] Provide restriping to add a westbound left-turn lane with necessary signal modifications at the completion of Project Construction.</td>
<td>LAMC</td>
<td>LACCD</td>
<td>Once</td>
<td>Los Angeles Department of Transportation (LADOT)</td>
</tr>
<tr>
<td></td>
<td>MM T-6*: Maclay Avenue/Glenoaks Boulevard: The District shall fund the purchase and installation of ATSAC control at this location and for inclusion of the intersection in the ATCS network at the completion of Project Construction.</td>
<td>LAMC</td>
<td>LACCD</td>
<td>Once</td>
<td>City of San Fernando, Los Angeles Department of Transportation (LADOT)</td>
</tr>
<tr>
<td></td>
<td>MM T-7*: Maclay Avenue/Foothill Boulevard: The District shall fund the purchase and installation of ATSAC control at this location and for inclusion of the intersection in the ATCS network at the completion of Project Construction. ATCS mitigation completed by others.</td>
<td>LAMC</td>
<td>LACCD</td>
<td>Once</td>
<td>Caltrans, Los Angeles Department of Transportation (LADOT)</td>
</tr>
<tr>
<td></td>
<td>MM T-8*: Maclay Avenue/I-210 EB Ramps: The District shall fund the purchase and installation of restriping to add a northbound through-right and a southbound left at the completion of Project Construction.</td>
<td>LAMC</td>
<td>LACCD</td>
<td>Once</td>
<td>Caltrans, Los Angeles Department of Transportation (LADOT)</td>
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<tr>
<td></td>
<td>MM T-9*: Maclay Avenue/I-210 WB Ramps: The District shall fund the purchase and installation of ATSAC control at this location and for inclusion of the intersection in the ATCS network at the completion of Project Construction. ATCS mitigation completed by others.</td>
<td>LAMC</td>
<td>LACCD</td>
<td>Once</td>
<td>Caltrans, Los Angeles Department of Transportation (LADOT)</td>
</tr>
<tr>
<td></td>
<td>MM T-10*: Maclay Avenue/Gladstone Avenue: The District shall provide fund the purchase and installation of a traffic signal at the completion of Project Construction.</td>
<td>LAMC</td>
<td>LACCD</td>
<td>Once</td>
<td>Caltrans, Los Angeles Department of Transportation (LADOT)</td>
</tr>
</tbody>
</table>

*The proposed Mission College Master Plan build-out is anticipated to contribute traffic volume to the surrounding roadway circulation system resulting in significant project
### Appendix L Mitigation Monitoring and Reporting Program

**MITIGATION MONITORING AND REPORTING PROGRAM**

<table>
<thead>
<tr>
<th>Potential Significant Impacts</th>
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<th>Monitoring Frequency</th>
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</tr>
</thead>
<tbody>
<tr>
<td>and cumulative traffic impacts at several study intersections (cont.)</td>
<td>MM T-11*: Maclay Avenue/Fenton Avenue: The District shall provide fund the purchase and installation of a traffic signal at the completion of Project Construction.</td>
<td>LAMC</td>
<td>LACCD</td>
<td>Once</td>
<td>Los Angeles Department of Transportation (LADOT)</td>
</tr>
<tr>
<td></td>
<td>MM T-12*: Hubbard Street/Glenoaks Boulevard: The District shall fund the purchase and installation of ATSAC- control at this location and for inclusion of the intersection, in the ATCS network at the completion of Project Construction. ATCS mitigation completed by others.</td>
<td>LAMC</td>
<td>LACCD</td>
<td>Once</td>
<td>Los Angeles Department of Transportation (LADOT)</td>
</tr>
<tr>
<td>Implementation Phase: T-1: Design Phase. T-2 to T-12: Operation Phase</td>
<td>Monitoring Action: (1) Inspect designs to ensure measures are included. (2) Inspect funding status to ensure that implementation is consistent with mitigation measures. (3) Complete monitoring log.</td>
<td></td>
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<td>Caltrans</td>
</tr>
<tr>
<td>*Neighborhood roadway segments would be impacted by increased traffic.</td>
<td>MM T-13*: The District shall develop a Neighborhood Traffic Management (NTM) Plan for the neighborhood generally bounded by Eldridge Avenue on the north, Hubbard Street on the west, Maclay Street on the east, and Fenton Avenue on the south. The NTM shall be developed in consultation with LADOT and LAUSD. The NTM shall include a construction traffic management plan which shall be finalized prior to construction; and an operations traffic management which shall be finalized prior to occupation of new Master Plan projects. The plan shall include the following: • Public outreach to residents in affected neighborhoods • Description of existing facility and neighborhood traffic conditions and new roadway counts, if necessary • Descriptions of proposed neighborhood traffic controls, including preliminary street modification plans • Analysis of any change in existing or future patterns as a result of implementation of the plan • Analysis of new area signage program for orientation</td>
<td>LAMC</td>
<td>LACCD</td>
<td>Once</td>
<td>Los Angeles Department of Transportation (LADOT)</td>
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<td>Caltrans</td>
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<tr>
<td>*Neighborhood roadway segments would be impacted by increased traffic (continued)</td>
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<td>Caltrans</td>
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## MITIGATION MONITORING AND REPORTING PROGRAM

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<tr>
<td></td>
<td>• Presentation of alternatives to the public</td>
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<td>• Cost estimate and implementation and monitoring program</td>
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<td></td>
<td>• Funding responsibility and guarantees</td>
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<td>• Measures to minimize construction traffic and construction-related impacts on local roadways, schools, bus routes, and pedestrian facilities, as described in the Los Angeles Unified School District “Environmental Impact Responses” letter dated December 4th, 2006, Section of the Final EIR</td>
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<td>• Signage in the study area directing users to the College via major roadways, and signage indicating &quot;Neighborhood Traffic Only&quot; and &quot;No Through Traffic&quot;</td>
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<td></td>
<td>• Speed Humps (neighborhood initiated, College funded)</td>
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<td></td>
<td>• Traffic Circles (neighborhood initiated, College funded)</td>
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<td></td>
<td>• Parking Facilities/Access (school-initiated new parking, driveways, and Eldridge Avenue extension)</td>
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<tr>
<td></td>
<td>• &quot;Neighborhood Traffic Only&quot; and &quot;No Through Traffic.&quot;</td>
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</tbody>
</table>

*Applicable mitigation measures from the LAMC 2007 Facilities Master Plan Final Program EIR MMRP were carried over to this 2009 Facilities Master Plan Final Subsequent EIR MMRP. These mitigation measures appear with an asterisk (*).
June 17, 2015

Members of Board of Trustees

RE: 2015-16 Tax Rate for Unissued Bonds
BF2 - Adopt Resolution to Authorize A Debt Service Estimate

The District needs to provide the County of Los Angeles with preliminary debt service for the 2015-16 tax years with respect to the next issuance of new money bonds (Series I). The Board will need to take action to adopt a resolution by June 30, 2015 certifying the information contained in “Attachment A” of the memorandum distributed by the Auditor-Controller of the County dated March 2, 2015 and entitled “Unissued Bonds: Authorizing Resolution Requirement”.

Attached to this memo are the recommendations for the information required for the 2015-2016 tax rate. If you need further information, please contact me at (213) 891-2090.

Respectfully Submitted,

Jeanette L. Gordon
Chief Financial Officer
MEMORANDUM

Date: May 27, 2015

To: Jeanette Gordon, CFO, Los Angeles Community College District

From: David Brodsky and Justin Rich,
KNN Public Finance

Subject: 2015-16 Tax Rate for Unissued Bonds

The District needs to provide the County of Los Angeles with preliminary debt service for the 2015-16 tax year with respect to the next issuance of new money bonds (Series I). The Board will need to take action to adopt a resolution by June 30, 2015 certifying the information contained in “Attachment A” of the memorandum distributed by the Auditor-Controller of the County dated March 2, 2015 and entitled “Unissued Bonds: Authorizing Resolution Requirement”. Attached to this memo are our recommendations for the information required for the 2015-16 tax rate.

In estimating the debt service for the FY 2015-16 levy, we have continued to assume some front-loading of debt to help the District in ensuring that it can meet its long-term financing goals within the statutory tax rate of $25 per $100,000 in assessed valuation. While the December 2014 refunding allowed some restructure of the District’s debt service to reduce what had previously been a high payment in 2033, which could have proved a constraint to future bond issuance, we still recommend a strategy that takes advantage of current year tax rate capacity to position the District to absorb lower than expected growth in assessed valuation in the future.

Measure J, Series I Issuance (2015)
For this exercise, we have assumed that the District would issue $325 million in new money general obligation bonds in the fall of calendar year 2015 (Series I). To the extent the actual size of this issue changes, the debt service structure would be adjusted to fit into this constraint. The District has remaining Measure J general obligation bond authorization in the amount of $1.275 billion, having already issued $2.225 billion.

We continue to recommend a reasonably conservative structure for Series I. We recommend that the term be limited to 25 years, and that the District pay for costs of issuance (bond and disclosure counsel, financial advisor, and ratings) out of bond proceeds. This approach is consistent with the best practices outlined by the Los Angeles County Treasurer in his 2011 White Paper and is consistent with the Series G and H financings completed last year. Moreover, all bonds will be issued as Current Interest Bonds. There are no plans to issue any of the Measure J bonds as Capital Appreciation Bonds (CABs) at this time. CABs, which have generated significant controversy, command a significant interest rate premium relative to Current Interest Bonds and hopefully can be avoided while still funding your capital needs on schedule.
Using fairly conservative assumption, including a 4% increase in assessed value for FY 2015-16 (the County is projecting county-wide growth of over 5%), we have produced debt service estimates for the next issuance, which is also attached to this memo. The impact of the planned Series I issue for FY 2015-16, as overlaid on outstanding debt, is illustrated below:

**Measure J Debt Service (Including Planned Series I Issuance)**

![Graph showing debt service]

**Measure J Long Range Plan of Finance**

In evaluating the potential Series I financing we have prepared a long range plan of finance to issue the remaining Measure J authorization to make sure we are still on track to issue the remaining authorization within the $25 per $100,000 assessed value tax-rate constraints. In preparing the analysis, we made several key assumptions that are highlighted below:

<table>
<thead>
<tr>
<th>Issuance Date</th>
<th>Series I</th>
<th>Series J</th>
<th>Series K</th>
<th>Series L</th>
</tr>
</thead>
<tbody>
<tr>
<td>Issuance Date</td>
<td>2015</td>
<td>2016</td>
<td>2017</td>
<td>2018</td>
</tr>
<tr>
<td>Par Amount</td>
<td>$325 million</td>
<td>$325 million</td>
<td>$325 million</td>
<td>$300 million</td>
</tr>
<tr>
<td>Term of Bonds</td>
<td>25 years</td>
<td>25 years</td>
<td>25 years</td>
<td>25 years</td>
</tr>
<tr>
<td>Bond Type</td>
<td>Current Interest Bonds</td>
<td>Current Interest Bonds</td>
<td>Current Interest Bonds</td>
<td>Current Interest Bonds</td>
</tr>
<tr>
<td>Assessed Value Growth</td>
<td>4% initially, then 2% annually</td>
<td>2% annually</td>
<td>2% annually</td>
<td>2% annually</td>
</tr>
<tr>
<td>Interest Rates</td>
<td>Current scale plus 25 basis points (0.25%)</td>
<td>Current scale plus 50 basis points (0.50%)</td>
<td>Current scale plus 75 basis points (0.75%)</td>
<td>Current scale plus 100 basis points (1.0%)</td>
</tr>
</tbody>
</table>

**Timing and Size of Issuances:** The plan of finance assumes issuing new money bonds to satisfy a $325 million annual burn rate, which is slightly more than would be needed based on projections from the District's Program Management department (from June 2015 to June 2016). Also, we understand that the cash balance for Measure J funds will be approximately $150 million by the end of calendar year 2015. We know that the District would
prefer to have a minimum balance of approximately $300 million to ensure there are no disruptions to the capital program, which is why we are assuming a fall 2015 issuance.

**Bond Type:** For the plan of finance, we have assumed issuing the District’s remaining bonds all as current interest bonds. As mentioned above, we have not assumed the use of capital appreciation bonds in any of the upcoming issuances.

**Assessed Value Growth:** For purposes of this plan of finance, we have assumed the District’s assessed value will grow by 4% in FY 2015-16, and 2% in the following years. We have assumed a higher AV growth figure for FY 2015-16 based on preliminary projections that Countywide AV growth could reach nearly 6%.

**Interest Rates:** Rates in the current municipal bond market are near historical lows. As a result, we are assuming that interest rates will increase over time, and so we have adjusted the interest rates in projecting debt service for each subsequent issuance. We have assumed the interest rate scale from the District’s December refunding transaction as our baseline and we have added 25 basis points (0.25%) for each subsequent issuance.

We hope this memorandum helps to clarify the long range plan of finance for the remaining Measure J authorization. Please let us know if you need any additional information on this matter.

Cc: David Casnocha, Stradling Yocca Carlson & Rauth
Los Angeles Community College District

UNISSUED BONDS: AUTHORIZING RESOLUTION REQUIREMENT

In response to your letter dated March 2, 2015 regarding unissued bonds, we are confirming the following information:

☐ NO – The school district has no plans to issue bonds during Fiscal Year 2015-16.

☒ YES – The school district plans to issue bonds during Fiscal Year 2015-16. We are certifying the following information:

a. XXX NO payment of bond principal and/or interest will be required for the period July 1, 2015 to December 31, 2016.

b. XX We anticipate payment of bond principal and/or interest for July 1, 2015 through December 31, 2016 and request this amount to be included in the tax levy for Fiscal Year 2015-16 (see information below):*

<table>
<thead>
<tr>
<th>Amount of Bond to be Issued:</th>
<th>$ 325,000,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Estimated Payments:</td>
<td></td>
</tr>
<tr>
<td>Principal</td>
<td></td>
</tr>
<tr>
<td>Interest</td>
<td></td>
</tr>
<tr>
<td>Total Payment</td>
<td></td>
</tr>
<tr>
<td>7/1/15 - 6/30/16</td>
<td>$ 0</td>
</tr>
<tr>
<td></td>
<td>$ 46,500,000</td>
</tr>
<tr>
<td>7/1/16 - 12/31/16</td>
<td>$ 8,125,000</td>
</tr>
<tr>
<td></td>
<td>$ 54,625,000</td>
</tr>
</tbody>
</table>

*A certified copy of the resolution adopted by the governing Board is attached, as requested.

In compliance with your request, and in order to allow the County sufficient time to prepare the Fiscal Year 2015-16 tax levy, we are responding by the June 30, 2015 deadline.

Jeanette L. Gordon
Name (Please Print)

June 24, 2015
Date

gordonjg@email.laccd.edu
E-Mail Address

Please send your response to:

John Naimo, Auditor-Controller
County of Los Angeles
500 West Temple Street, Room 603
Los Angeles, CA 90012
Attn: Connie Yee, Division Chief
Accounting Division
To: Board of Trustees
Francisco D. Rodriguez, Chancellor

From: John P. Dacey, Lead Construction Counsel

Date: June 16, 2015

Re: Harbor Teacher Preparation Academy - Los Angeles Harbor College; Award of Design-Build Contract - June 24, 2015 Board Date and Agenda Item

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I. ACTION ITEM ON JUNE 24, 2015 BOARD DATE REGARDING HARBOR TEACHER PREPARATION ACADEMY

There is an item on the June 24, 2015 Board Agenda regarding the Harbor Teacher Preparation Academy project at Los Angeles Harbor College ("HTPA Project").

The item asks the Board to adopt a resolution for the HTPA Project that:

1. Ratifies implementation of the Design-Build system of project delivery;
2. Ratifies the Request for Qualifications and Proposals process (Procurement Number CS-014-15-H-RFP) conducted by Staff;
3. Authorizes the award of the Design-Build Agreement to a single Design-Build Entity ("DBE");
4. Authorizes District Staff, specifically the Chancellor and/or the Chief Facilities Executive, to enter into a Design-Build Agreement for the HTPA Project; and
5. If the aggregate cost for the Project does exceed the not to exceed amount authorized by the Board, then Staff shall bring the item, and/or the affected part thereof, back to the Board for review, consideration, and/or further action.

II. PURPOSE OF THIS MEMORANDUM

The purpose of this Memorandum is to set forth Staff’s and the PMO’s findings regarding why the Design-Build delivery method, as authorized by Education Code sections 81700, et. seq., should be used for the HTPA Project.
III. APPLICABLE LAW FOR DESIGN-BUILD CONTRACTS

Education Code sections 81700 et seq. specifically authorize community college districts to utilize the Design-Build delivery method as a safe and cost efficient alternative to competitive bidding because the Legislature has determined that it can produce accelerated completion of projects, provide for cost containment, reduce construction complexity, and reduce exposure to risk for community college districts. The Legislature has also determined that the cost-effective benefits to community college districts are achieved by shifting the liability and risk for cost containment and project completion to the design-build entity.

The foregoing Code sections also require that governing boards of a community college districts shall make written findings that use of the design-build process will accomplish one of the following objectives: (1) reduce comparable project costs; (2) expedite the project's completion, or (3) provide features not achievable through the traditional design-bid-build method.

IV. STAFF’S, PMO’S AND LCC’S FINDINGS OF FACT

District Staff, the PMO, and Lead Construction Counsel (“LCC”) have reviewed these statutory objectives and concluded that the design-build delivery method should be used for the HTPA Project because: (1) it will reduce comparable project costs (2) it will expedite the project’s completion; and/or provide (3) it provides features not achievable through the traditional design-bid-build method, including cost containment and shifting the risk of loss for design deficiencies to the Design-Build Entity, the following reasons:

1. “Reduced Comparable project costs”

The Legislature has recognized that “the cost-effective benefits” to a community college district under the Design-Build delivery method are achieved by shifting the liability and risk for cost containment and project completion to the design-build entity”.

Using the Design-Build delivery method on the HTPA Project will achieve this goal/factor, that cannot be achieved using the design-bid-build (hard/low bid) method because: (1) responsibility for errors, omissions, and other deficiencies in the design and construction documents obtained by the District under the design-bid-build (hard/low bid) method from an architect hired by the District are, vis a vis the contractor, the responsibility of the District. Under design-bid-build, a district hires an architect to design a project. The errors, omissions, and other deficiencies in the design and construction documents are usually a predominant cause of additional project costs over and above the original contract award amount because under design-bid-build the contractor has no responsibility for such errors, omissions and/or deficiencies. These errors, omissions and deficiencies translate to increased costs to the District during construction in the following ways: (1) delay damages; (2) extra work/change order claims by the contractor; and (3) in-fighting
between the public entity owner and the architect/engineering team hired by the public entity owner. All of the foregoing also translate into additional time, claims, construction manager time, attorney fees, expert fees, and other significant costs.

Conversely, under the Design-Build delivery method, the contractor, known as the Design Build Entity, must “design and construct” the project. As such, those responsibilities and resultant costs just mentioned as being the District’s responsibility all shift to the Design-Build Entity and have to be borne by the Design-Build Entity. This greatly reduces costs compared to a project procured under the design-bid-build delivery method and achieves the risk shifting benefits contemplated by the statutes. As such, the use of Design-Build for the HTPA Project will achieve these cost savings and risk shifting benefits. For these reasons alone, the Design-Build delivery method should be used for the HTPA Project.

2. **“Expediting the project’s completion”**

Using the Design-Build delivery method will save time and expedite the HTPA Project’s completion when compared to the time it will take to design and build the HTPA Project using the design-bid-build delivery method (also referred to as hard/low bid contracting).

The Development Agreement between LAUSD and LACCD sets the framework for the procurement of the HTPA Project. It was approved by the LACCD Board on March 12, 2014 (Com. No. FPD4) and requires that the permanent location of the HTPA be developed and construction completed by LACCD “in a maximum of 46 months”.

Based on Staff’s, the PMO’s, and LCC’s experience, if the HTPA Project were to be developed and constructed using the design-bid-build delivery method, it would be necessary to use three steps that would take at least 48 months to complete, and most likely several more months. These three steps include: (1) hire Architect and Engineer to design the project and prepare 100% Construction Documents and obtain Division of the State Architect (“DSA”) approval thereon; (2) then pre-qualify contractors to ensure all participants are well-qualified to construct the project; and (3) then advertise for and award a construction contract under the design-bid-build delivery method and have construction start and complete. Each of the three steps would also require Board action adding more time to the overall procurement before construction could begin. Staff and the PMO have concluded that they could not meet the 46 month completion requirement under the Development Agreement with LAUSD if the traditional design-bid-build delivery method was used. LCC concurs.

Conversely, using the Design-Build project delivery method provides integration of these procedural steps into one overall procurement step, including ensuring only well qualified contractors will design and build the project. Based on the PMO’s evaluation, using the Design-Build delivery method, the anticipated total amount of time to design and complete construction of the HTPA Project will be reduced to 36 months. Staff and LCC concur.
Therefore, the proposed use of Design-Build is anticipated to meet the requirement of “expediting the project’s completion” because it will take 12 months less to achieve completion of the HTPA Project using the Design-Build method versus using the design-bid-build project delivery method. For this reason alone, the Design-Build delivery method should be used for the HTPA Project.

3. **“Provide features not achievable through the traditional design-bid-build method”**

The applicable law expressly recognizes by the language in and the purpose behind the statutes that using the Design-Build delivery method will simplify construction and reduce its complexity when compared to using the low/hard bid delivery method. These are features that are not achievable through the design-bid-build delivery method.

Generally speaking, most “construction complexity” on public works projects comes from incomplete, conflicting, uncoordinated, and/or construction documents that contain errors, omissions, ambiguities, conflicts and other deficiencies. This then creates polarizing positions between the public entity owner and architect, on the one hand, and the contractor and the public entity owner, on the other hand. As these situations are encountered, arguments ensue as to whether the construction documents are or are not incomplete, conflicting, uncoordinated, and/or contain errors, omissions, deficiencies, etc. (all of which posits liability on the public entity) and/or whether or not the contractor knew or should have known (which may shift liability away from the public entity owner and onto the contractor). Such polarizing positions are greatly heightened in projects where a contractor’s expertise could be of great assistance in the design, but which is prohibited by law if the design-bid-build (hard/low bid) method of procurement is used. This increases risk to the public entity on such projects where the design-bid-build (hard/low bid) method of procurement is used.

Conversely, in the experience of District Staff, the PMO and the LCC, where a contractor’s expertise can be used to design and construct such projects as part of a design-build team, construction complexity is significantly reduced as the entity that must build the project also designs it pursuant to performance/project criteria established by the public entity owner. This is what is being done on the HTPA Project at Harbor College. The Design-Build Entity has to design and build the HTPA Project, it is in its own best interests to ensure that there are no incomplete, conflicting, uncoordinated, errors, omissions, deficiencies, etc. in the design and construction documents. If there are any found during construction, the Design-Build Entity has to bear the risk of loss and cost to overcome same. These are all features that are not achievable under the design-bid-build delivery method. For this reason alone, the Design-Build delivery method should be used for the HTPA Project.
V. CONCLUSIONS

As mentioned above, the Design-Build statutes require that the governing board of a community college district make written findings that use of the design-build process will accomplish one of the following objectives: (1) reduce comparable project costs; (2) expedite the project's completion, or (3) provide features not achievable through the traditional design-bid-build method.

The foregoing findings by District Staff, the PMO and LCC demonstrate that not only one, but all three of the needed requirements to use the Design-Build delivery method are present for the HTPA Project and warrant use of the Design-Build method for this project.