MEMO

Date: March 16, 2015

To: Facilities Master Planning and Oversight Committee:
   Steve Veres, chair; Ernie Moreno, vice chair; Scott Svonkin, member

From: James O'Reilly, chief facilities executive

RE: March 25, 2015 Facilities Master Planning and Oversight Committee

The agenda for the Facilities Master Planning and Oversight Committee to be held on March 25, 2015 will include a review of the East Los Angeles College draft 2012-2018 Facilities Master Plan Update and Second Addendum to the 2009 Final Supplemental Environmental Impact Report. In addition, the 90-minute meeting will include presentations on 179 D tax breaks for "designers," which refers to the Internal Revenue Code as part of the Energy Policy Act of 2005, a proposed amendment to the district's Project Labor Agreement and a ConnectLACCD feasibility study update.

Requisite background materials or presentation summaries are included for your reference.

I will be joined by staff at the meeting to discuss the items on the agenda. Please feel free to call me at (213) 891-2048 if you have any questions.

C: Dr. Francisco Rodriguez, chancellor
   Dr. Adriana Barrera, deputy chancellor
   Dr. Kathleen Burke, president, Pierce College
   Thomas Hall, director, Facilities Planning and Development
   Terri Mestas, director, LACCD bond Program Management Office

JDO/drm
EAST LOS ANGELES COLLEGE

(Draft)
Update to Facilities Master Plan 2012-2018
&
Second Addendum to the 2009 Final Supplemental Environmental Impact Report (FSEIR)

Facilities Master Planning and Oversight Committee
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Existing G8 & H8 buildings, 2 one-story 1950s wood construction classroom & lab buildings (24,350 GSF)

Demolition of existing G8 & H8 Buildings

Provide a new two-story replacement classroom & lab building G8 (25,200 GSF).

Provide open space for future development H8.
CEQA – Draft Addendum 2 – Overview

- 1998 Final EIR (FEIR): Buildings G8 & H8 to be demolished.
- 2009 Final SEIR (FSEIR): Buildings G8 & H8 to be modernized.
- This draft Addendum 2 to 2009 FSEIR:
  - Buildings G8 & H8 to be demolished.
  - A new 2-story replacement building G8
  - Open space for future development H8
- The project would not result in any additional impacts on any environmental resources located on or near the project site that were adequately addressed previously.
Draft Update to ELAC FMP 2012-2018 & 2nd Addendum to 2009 FSEIR : Impact Analysis

- No Impacts or Less-Than-Significant Impacts
  - Aesthetics
  - Cultural Resources
  - Land Use and Planning
  - Noise
  - Public Services
  - Transportation and Traffic
  - Utilities and Services Systems

- No Additional Impact or Less–Than-Significant Impacts with Mitigations
  - Geology and Seismicity
  - Hazards and Hazardous Materials

- No Additional Impact or Significant and Unavoidable Impact
  - Air Quality (Regional Emissions)
Draft Update to ELAC FMP 2012-2018 & 2nd Addendum to 2009 FSEIR : Impact Analysis

• Conclusions

- Based on the findings and information contained in the 1998 FEIR and 2009 FSEIR, and the CEQA statute and State CEQA Guidelines, including Sections 15162, 15164, and 15168, the project would not result in any additional impacts on any environmental resources located on or near the project site.

- Potential environmental impacts of the proposed project have been adequately addressed in the 1998 FEIR, 2009 FSEIR and this Second Addendum to the 2009 FSEIR.
DATE: March 12, 2015
TO: Facilities Master Planning and Oversight Committee
Chancellor Francisco C. Rodriguez
FROM: James O’Reilly, Chief Facilities Executive
John P. Dacey, Esq., Lead Construction Counsel
SUBJECT: District-Wide Energy Policy Act Program - Request for Qualifications and Proposals for Professional Services

Meeting Date: March 25, 2015

EXECUTIVE SUMMARY

I. Authority for Energy Policy Act Programs

Congress enacted Section 179 D of the Internal Revenue Code as part of the Energy Policy Act of 2005. Section 179 D provides a deduction for the costs of installing certain energy efficient building systems in government owned buildings. The deduction currently may be up to $1.80 per square foot for improving energy efficiency in an existing building or designing energy efficiency into a new building. The types of energy efficient improvements that qualify include interior lighting systems, heating, cooling, ventilation and hot water systems, and/or the building envelope.

Since governmental entities do not pay taxes, they cannot take direct advantage of this deduction. But, Congress wants to provide incentives to governmental entities to invest in energy efficiency in both existing and new buildings. As such, Congress allows a government building owner to allocate the deductions to one or more designers (for example, architects, engineers and others). In exchange, governmental entities can receive a benefit in the form of either: (1) reduced design fees (for new projects); or (2) by receiving money from a designer that receives the deduction (for projects already constructed or under construction).

II. Why Initiate an Energy Policy Act Program?

The short answer it is that it is a way for the District not to pay for the services needed to bring to
the District substantial dollars.

Here is a simplified example. Assume that the governmental entity either has built or will build a government building with 200,000 square feet and has qualifying energy efficiency elements in it. At approximately $1.80 per square foot for the Deductions, the possible deduction value could be $360,000.00. For a third party designer involved in that project, who would most likely be in the 35% corporate federal tax bracket, this would mean a tax benefit of $126,000.00. As such the governmental entity owner may choose to allocate the deduction in exchange for receiving some portion of the $126,000.00 benefit from the third party designer. How much the governmental entity gets of that $126,000.00 is subject to negotiation between the designer and the governmental entity. The potential dollars can add up rather quickly given the number of projects the District has completed during the eligibility period.

### III. Why Hire a Professional Service Provider to Monetize these Tax Deductions for the District?

The needed professional services include significant experience in: financial; accounting; and professional engineering services; a thorough understanding of the Energy Policy Act of 2005, IRS Regulation 179 D, various IRS Notices, and other attendant regulations and requirements applicable thereto; demonstrated understanding to manage a complicated certification process required to certify eligible square footage for the purpose of calculating the dollar amount of any available deductions; producing and providing to all applicable governmental agencies all supporting documentation needed to achieve the Certification (of eligibility for the deduction) as required under Section 4 of IRS Notice 2006 -52 and/or Section 5 of IRS Notice 2008 – 14 (or as updated and/or amended); and, knowing how to operate and have access to IRS approved software needed to calculate the amount of the deductions. Such software must be in compliance with the most current IRS Notice regarding approved software.

As such, the District would be best served by hiring a company with significant experience in this type of monetization programs.

Also, the professional services contract is structured in such a way as there are no reimbursable expenses, and the District does not pay any money to the professional service provider up front. Rather, the contract provides that the professional service provider’s compensation is limited to a stated percentage of the money recovered and received by the District.

Staff’s recommendation is that the District: (1) issue a Request for Qualifications and Proposals to identify and recommend a third party professional service provider to monetize the 179 D tax deductions available to the District; and (2) bring such recommendation for an award of the contract back before the Board for review and action.

A more detailed presentation will be presented at the Facilities Master Planning and Oversight Committee meeting on March 25.
DATE: March 12, 2015

TO: Facilities Master Planning and Oversight Committee
Chancellor Francisco C. Rodriguez

FROM: James O’Reilly, Chief Facilities Executive
John P. Dacey, Esq., Lead Construction Counsel

SUBJECT: Proposed Amendment to Project Labor Agreement
Meeting Date: March 25, 2015

EXECUTIVE SUMMARY

I. Brief History of the Project Labor Agreement (“PLA”)

The Project Labor Agreement regarding the District Bond Program (“PLA”) was initially adopted as a policy of the District for its Bond Funded construction projects as of December 19, 2001. The PLA was amended on April 7, 2008, and then again on February 25, 2009. The PLA is entered between by the Los Angeles/Orange Counties Building and Construction Trades Council, the signatory Craft Councils and Unions (hereinafter collectively the “Unions”), and those contractors and subcontractors performing work on the projects that are subject of the PLA.

II. Recent Request by the Unions to Amend the current PLA

The Unions recently approached the District with a proposed Amendment, including, without limitation, to include certain non-bonded District General Construction, Renovation and Rehabilitation projects within the PLA. The Chief Facilities Executive and Lead Construction Counsel have had meetings and exchanged several drafts of a proposed Amendment with Ron Miller, Executive Secretary and Ray Van der Nat, Esq., for the Unions.

III. Requested Union Changes to the PLA

The current draft of the proposed Amendment includes; without limitation: (1) extending the PLA to: (a) general building/ general engineering construction contracts funded with at least $225,000.00 District general funds; (b) specialty construction contracts funded with at least
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$25,000.00 of District general funds; and (c) all subcontracts flowing from such general and specialty contracts; (2) including in the PLA a “Helmets to Hard Hats” component to facilitate the entry into the building and construction trades of veterans who are interested in careers in the building and construction industry; (3) implementation of a requirement to use a “Craft Employee Request Form” to facilitate the dispatch of local residents, disadvantaged workers, minorities and veterans for work on District projects who will be provided from the Union’s hiring halls’ list regardless of normal referral procedures; (4) the document was updated, internal conflicts and inconsistencies eliminated, and generally cleaned up as it has been untouched since 2009.

IV. Next Steps

It is Staff’s intent to bring before the Board on March 25th a mutually agreed to proposed Amendment, signed by all the Unions and request the Board to adopt the proposed Amendment as presented.

If however, not all Union shave signed the proposed Amendment by March 25th, then the Facilities Master Planning and Oversight Committee will provide the Board with an update on the status of the proposed Amendment on that date. Staff will then bring back a request to adopt the proposed Amendment at the next available Board Meeting date once all Unions have signed the proposed Amendment.

A more detailed presentation will be presented at the Facilities Master Planning and Oversight Committee meeting on March 25.
CONNECT LACCD FEASIBILITY STUDY UPDATE
Presentation Executive Overview

In January 2014, the Board of Trustees asked the bond Program Management Office (PMO) to validate a project that would deploy a district-owned fiber optic network in partnership with the Los Angeles County Metropolitan Transportation Authority. In June 2014, the PMO provided the Facilities Master Planning and Oversight Committee (FMP&OC) with an overview of preliminary findings that included a future need to increase the bandwidth in the network connecting the colleges, the Educational Services Center and satellite facilities. The result of that presentation to FMP&OC was to conduct further study.

The additional study has been completed and includes two options: construct a private fiber optic network or lease network services. The findings show that leased services are available at a fraction of the cost of building the fiber network, provide a more manageable and flexible solution, and are bond eligible.

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