

Responses to Questions on the Court's Tentative Ruling

3/26/17

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1. Who are the responsible agencies that we got to circulate the initial studies to after we prepare them? State agencies? The city? Local agencies?

The notices for the most recent subsequent environmental impact report were sent to 2 federal agencies, 10 state agencies, 8 county agencies, 7 cities, 6 regional agencies, 9 school districts, 2 tribal groups, and 5 miscellaneous groups. The receipt of communication is verified, and all groups have the opportunity to comment on our environmental work.

2. Does the dirt moving and grading for the solar project involve only adding dirt to the site, rather than removing any?

The earthwork at the west parcel solar site includes the on site excavation and compaction of 172,708 cubic yards of earth and the import of 163,570 cubic yards from the physical education project site. A six inch deep layer of topsoil will be removed from a portion of the west parcel site and placed within the expanded wildlife sanctuary area to establish the new coastal sage scrub habitat.

3. Regarding the parking structure site it says we terminated the facilities lease but not the site lease with Tilden-Coil.

I reviewed judge Chalfant's comments on page 11 of the tentative decision. He writes: "On July 22, 2015, the District took action to terminate the facilities lease contract (but not the site lease) with Tilden-Coil." I believe that the judge is referring to a letter from my office to Tilden-Coil dated July 22, 2015. The letter provides notice to Tilden-Coil of the college's intent to terminate our agreement for the construction of Phase 1 of the Parking Structure project. The letter indicates "*The termination for convenience shall take place according to section 6.5 of the facilities lease.*" Section 6.5 of the facilities lease gives the college the right to terminate at its sole discretion upon fourteen days notice to the developer (Tilden). While this letter provides the required communication to Tilden-Coil, it does not act to terminate the contract, as the termination of a contract requires Board of Trustees action. The letter does, however formalize the direction to the contractor to stop work on the project. On August 17, 2016, the Board took action to approve a final deductive change order, terminate the contract for convenience, reduce the facilities lease period to 35 days after Board approval, and accept as complete the portion of the work that was done. By accepting the revised and substantially reduced scope of work as complete, the Board formally terminated the facilities lease effective 35 days after the meeting. This action also results in the termination of the site lease. Section 7.1 of the site lease indicates "*If the District exercises its option to purchase the Project pursuant to the Facilities Lease, then this Site lease shall terminate concurrently with the District's buy out and termination of the Facilities Lease.*" This is very similar to the process for closing out all of the lease-leaseback projects that we completed. When the Board approves the contract as complete and reduces the facilities lease to 35 days, the site lease terminates with the facilities lease.

Is that right?

I believe that Judge Chalfant's statement is incorrect and reflects an incomplete understanding of our Lease-Leaseback agreements.

Is one the lease and the other the lease back?

With Lease-Leaseback agreements, the developer leases the site from the District, and then constructs the improvements on the site. The District then leases back the improvements. The District's lease cost includes the cost of the improvements, the developers fee and profit, plus interest for the term of the lease.

If there's more than one, lease lease backs have been frowned on by the court, and we abandoned the big parking structure, why didn't we cancel all the leases?

Both leases were terminated as described above.

Are we trying to keep something alive?

The Board approved action item #2 on July 8, 2015 to cease expenditure of Measure RR (series B and C) funds for the parking structure. The recommendation includes the following statement: *"Taking such action at this time will not prevent the Board of Trustees from authorizing use of Measure RR bond proceeds for the Parking Structure project once the Measure RR Bond litigation is resolved."* On February 17, 2016 the Board approved action item #3 to permanently cease the expenditure of Measure RR funds on the Lot A Parking Structure project. The recommendation included the following statement: *"The abandonment of the Parking Structure Project on Lot A as a Measure RR project is without prejudice to the Board taking future action authorizing a new parking structure project on Lot A."* The Board has firmly reserved the right to build a parking structure at the northwest corner of the campus at Lot A. We are in the process of re-evaluating the need for parking on campus, based on a new educational master plan, updated growth forecasts, and a new facilities master plan. I believe that the college needs parking in the lot A area, but the ongoing study will provide a specific recommendation for the quantity and location of added parking. Any future parking structure development will be a new project, will be evaluated for environmental impacts according to CEQA process, and may require entitlement from the City.

4. Did we approve a \$5 million contract for grading to create temporary parking for the athletic project? (page 12)

On April 2, 2014, the Board approved a lease-leaseback agreement with Tilden-Coil constructors for major grading, site improvements, and temporary parking (consent #4). The guaranteed maximum price for the work was \$5,734,391. The work included the removal of approximately 400,000 cubic yards of earth from the hill just west of the stadium. The material was transported to the area just south and east of the "Mt. SAC" hill. The earth was compacted and leveled to create the 900+ parking space temporary student lot M. The lot was later paved, and infrastructure was installed to bring water, power, and data to the site at some future time. On June 24, 2015, as part of consent #24, the Board approved the project as complete for an actual cost of \$3,003,875. The savings of \$2,730,516 was due to a highly efficient grading process, and the absence of rocks and excessive moisture in the soil.

Is there a lease lease back alive for that project?

No. The Board approved the project as complete on June 24, 2015, and a notice of completion was filed. By paying all of the construction costs and developer fees, the college "bought out" the facilities lease, and effectively terminated the site lease.

5. What's multi prime bid package?

Multiple prime is a construction delivery method where the owner holds several "prime" construction contracts, rather than contracting with a single general contractor, for a single project. A multiple prime bid package is the group of prime contracts let out for bid at one time, for a single project effort. A project can be divided into as few as 2 prime contracts or as many as 40 or more, and each bid is opened, evaluated, and awarded separately. At Mt. SAC, we utilize the multiple prime delivery method for most projects over \$1 Million. For the largest of these projects, we also utilize a construction management firm to oversee the work in the field. The college benefits by holding the individual contracts and directly managing the trade contractors through its agent (the construction management firm) or authorized representative (college employed project manager). With traditional general contractors, the trade contractors are insulated from the owner contractually, and the general contractor manages the trades work (sub-contractors) in the field. The general contracting firm can control both the schedule and

quality of work to its financial benefit. The general contractor also adds cost to the project by "marking up" the trade contractor fee. We believe that the cost of the construction management firm is less than or equal to the cost of the general contractor's "mark up" and management costs. On smaller projects (under \$5 Million) a college project manager with staff support oversees the trade contractors at less cost than either general contractors or construction managers. The most important benefit of multiple prime delivery is the college's ability to manage the quality of the project in the field, while maintaining a highly competitive bidding environment. Mt. SAC has completed well over 100 multiple prime construction projects under measures R and RR.

6. So it seems to me if we were doing SEIR that analyzed cumulative effects, it would go beyond and include the analysis in a initial study. Is that the case?

Any environmental impact report, including a supplemental or subsequent EIR is by definition a more involved effort than an initial study. The California Environmental Quality Act (CEQA) states that an initial study is prepared to determine whether an EIR is necessary.

If so, why is an initial study going to take 4 months?

The initial study may include efforts to investigate traffic, air quality, noise or other CEQA defined environmental impacts, it may also include mitigation measures that reduce environmental impacts of a project to less than significant. These studies may take some time, along with the time necessary to procure the services of qualified professionals.

Does an initial study include more than an analysis of cumulative effects?

It may, however its primary purpose is to determine what is the appropriate CEQA document (EIR, Mitigated negative declaration etc.) In the case of the solar project, we may be able to use the project specific information included in previously completed studies. We are currently developing recommendations for the next steps in response to Judge Chalfant's ruling.

7. So are we going to go back and do initial studies on all the individual projects so we can make sure everything is done right?

We are still developing recommendations for next steps, both for CEQA work related to the solar project, for any other projects included in the 2012 SEIR, and for any future work. Judge Chalfant did include in his ruling statements that indicate that our 2015 SEIR does adequately address the environmental impacts for the Physical Education Project (page 12). Generally, our CEQA process has been almost identical to the process used by California State University. Judge Chalfant's ruling pushes us toward a more complex effort similar to the University of California process. I believe that this is related to the size and number of projects that we are running concurrently. Our practice has been to complete program EIR documents that identify and address project specific environmental impacts. As projects develop, we have completed subsequent EIR documents to address any new environmental impacts related to changes in projects as they are designed, if any, and environmental impacts related to any added projects. Another approach could be to complete a program EIR for the upcoming master plan, and then "tier" off of that document by developing initial studies for each significant project once they are fully defined, then completing an appropriate CEQA document as determined by the initial study. In the near term, an initial study will tell us what CEQA document to complete for the solar project.

8. Is Lindmark the CEQA consultant for all the work we did?

Yes. Sid Lindmark has served as the college's CEQA consultant since the beginning of the measure R program. We are currently running a request for proposals for environmental consultants for the traffic and parking study. Sid Lindmark did not attend the mandatory pre-proposal conference, so he will not be leading the CEQA effort related to parking and traffic,

however, I believe that it is in the college's interest that he stay involved in an advisory role since he has so much history and knowledge of our past environmental work.

And was the attorney the lady that initially handled the litigation?

Sharon Suarez, partner at Orbach, Huff and Suarez served as the college's construction counsel, including environmental issues since 2003.