

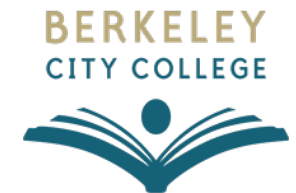
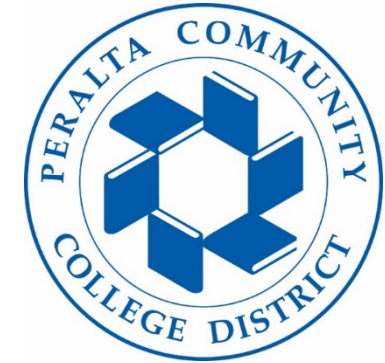
Bond Program Update

Regular Meeting of the Board of Trustees

September 23, 2021

Keith Kajiya, AECOM

David Olson, Backstrom McCarley Berry & Co., LLC



Program Accomplishments

As of August 31, 2021.

\$77 Million
State Funding in Place

\$126 Million
Contract
Commitments

15
Major Projects
Underway

\$115 Million
Bonds Issued

56
Infrastructure
Packages
Underway

\$49.4 Million
Expended

Laney College



Berkeley City College



Merritt College



College of Alameda



Leveraging State Matching Funds

As of August 31, 2021.

| Approved Final Project Proposal (FPP) Projects | Anticipated State Match | Project Status |
|--|-------------------------|----------------|
| Laney Learning Resource Center | \$24.63 M | In DSA |
| Laney Theater Modernization | \$8.00 M | In DSA |
| Merritt Child Development Center | \$5.16 M | In DSA |
| Merritt Horticulture | \$9.79 M | In DSA |
| Alameda Auto and Diesel Technologies | \$16.57 M | In DSA |
| Alameda Aviation Complex Phase 2 | \$13.18 M | Started Design |
| Total Anticipated State Funding | \$77.33 M | |



Design/Build Project Status

Underway

- Laney College Central Plant/
Cooling Tower Upgrade
- Laney College Locker Room
Modernization
- Berkeley City College Milvia Street
New Building

Future Procurements

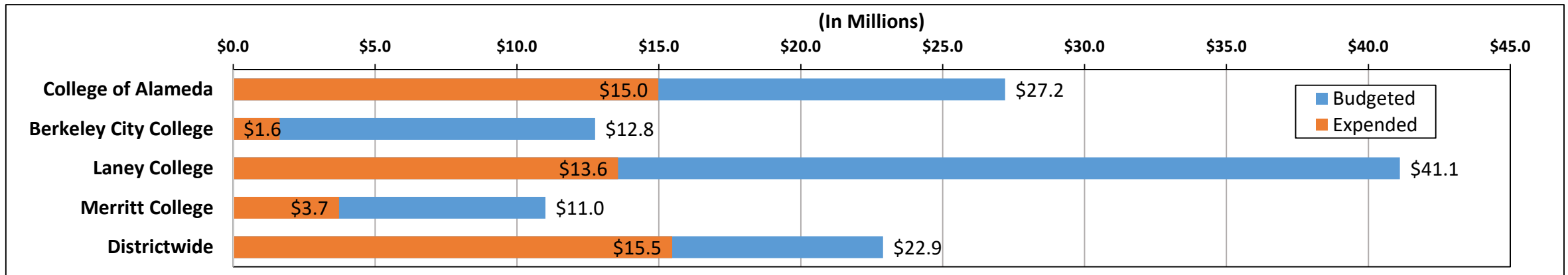
- College of Alameda New Science &
Administration Building
- Berkeley City College Center Street
Reconfiguration
- ~~Merritt College Science/Allied
Health TI Buildout~~
- Laney College New STEM Building

Program Cost Status (\$115M Bonds Sold)

¹ Expenditures as of August 31, 2021.

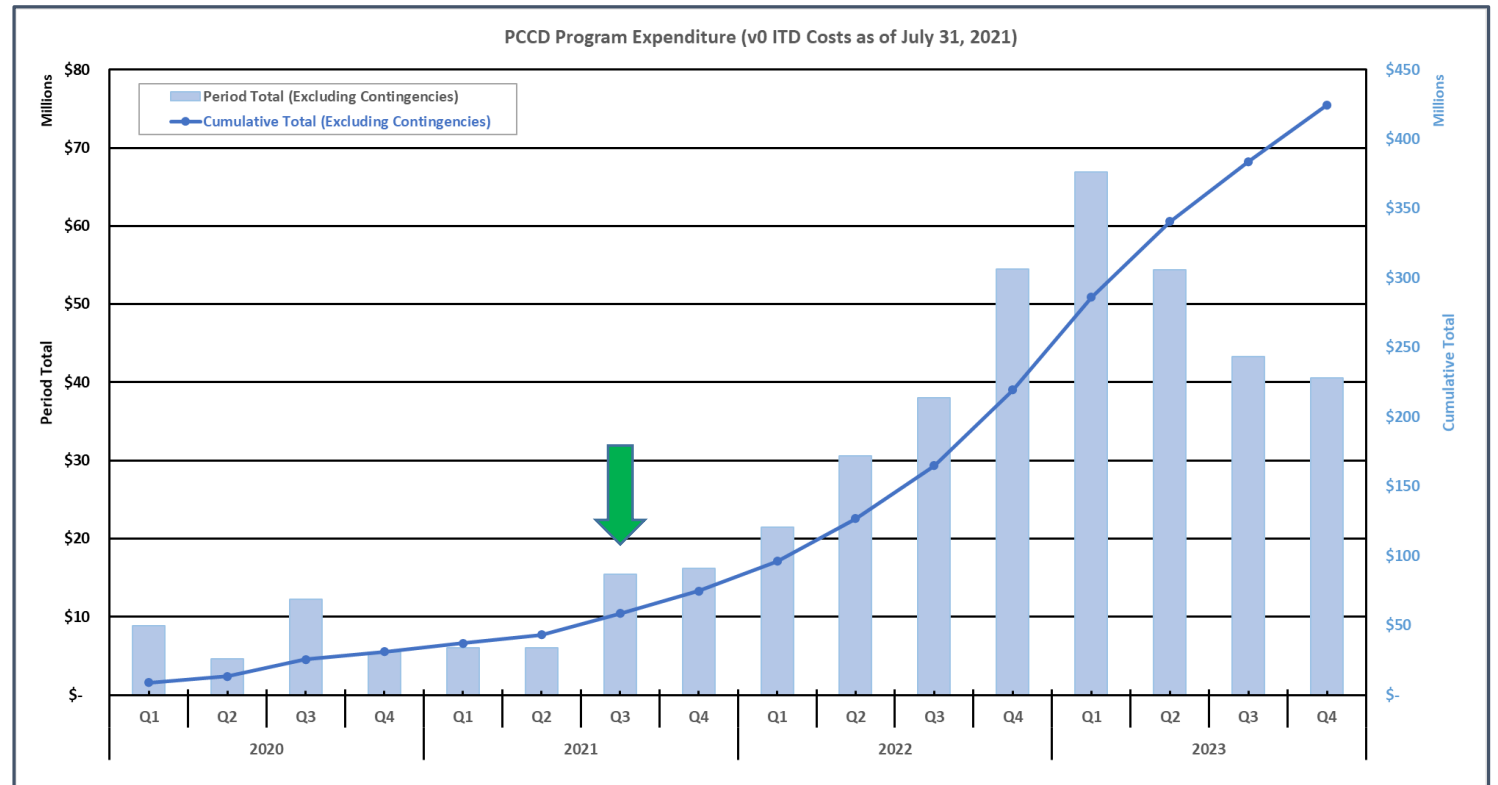
| Campus Name | Measure A | | Measure G | |
|-----------------------|---------------|-----------------------|---------------|-----------------------|
| | Budget | Expended ¹ | Budget | Expended ¹ |
| College of Alameda | \$ 17,168,328 | \$ 12,560,033 | \$ 10,049,390 | \$ 2,425,212 |
| Berkeley City College | \$ 9,542,841 | \$ 1,456,039 | \$ 3,210,341 | \$ 157,296 |
| Laney College | \$ 32,872,170 | \$ 9,498,509 | \$ 8,240,085 | \$ 4,064,801 |
| Merritt College | \$ 1,275,353 | \$ 1,658,839 | \$ 9,726,549 | \$ 2,066,875 |
| Districtwide | \$ 4,141,308 | \$ 3,657,751 | \$ 18,773,634 | \$ 11,812,876 |

Total \$115M Allocation \$ 65,000,000 \$ 28,831,171 \$ 50,000,000 \$ 20,527,061



Program Cash Flow

- Q3 Spending Increase
- Major Construction Beginning in 2022
- Planning for 2022 Bond Sale



Bond Program Update

From a bond program perspective, we continue to keep our focus on four priorities

- Tracking expenditures
- Planning for an upcoming bond issue
- Managing ongoing obligations
- Communicating a positive message

Tracking Expenditures

District expenditures have been running at \$2 million to \$4 million per month but are expected to increase significantly in the new year.

PERALTA COMMUNITY COLLEGE DISTRICT HISTORICAL AND PROJECTED BOND FUND EXPENDITURES

| Fiscal Year | Fund #63 (2006 Measure A) | Fund #43 (2018 Measure G) | Combined |
|-------------|------------------------------|------------------------------|-------------|
| 2017-18 | 8,149,576 | 0 | 8,149,576 |
| 2018-19 | 18,622,898 | 1,375,304 | 19,998,202 |
| 2019-20 | 33,686,932 | 4,801,374 | 38,488,306 |
| 2020-21 | 11,005,358 | 16,182,884 | 27,188,242 |
| 2021-22 | 20,000,000 | 52,000,000 | 72,000,000 |
| 2022-23 | 24,000,000 | 96,000,000 | 120,000,000 |
| 2023-24 | 0 | 120,000,000 | 120,000,000 |

Note:

Projected expenditures represent rough estimates based on historical patterns and expectations of the bond team.



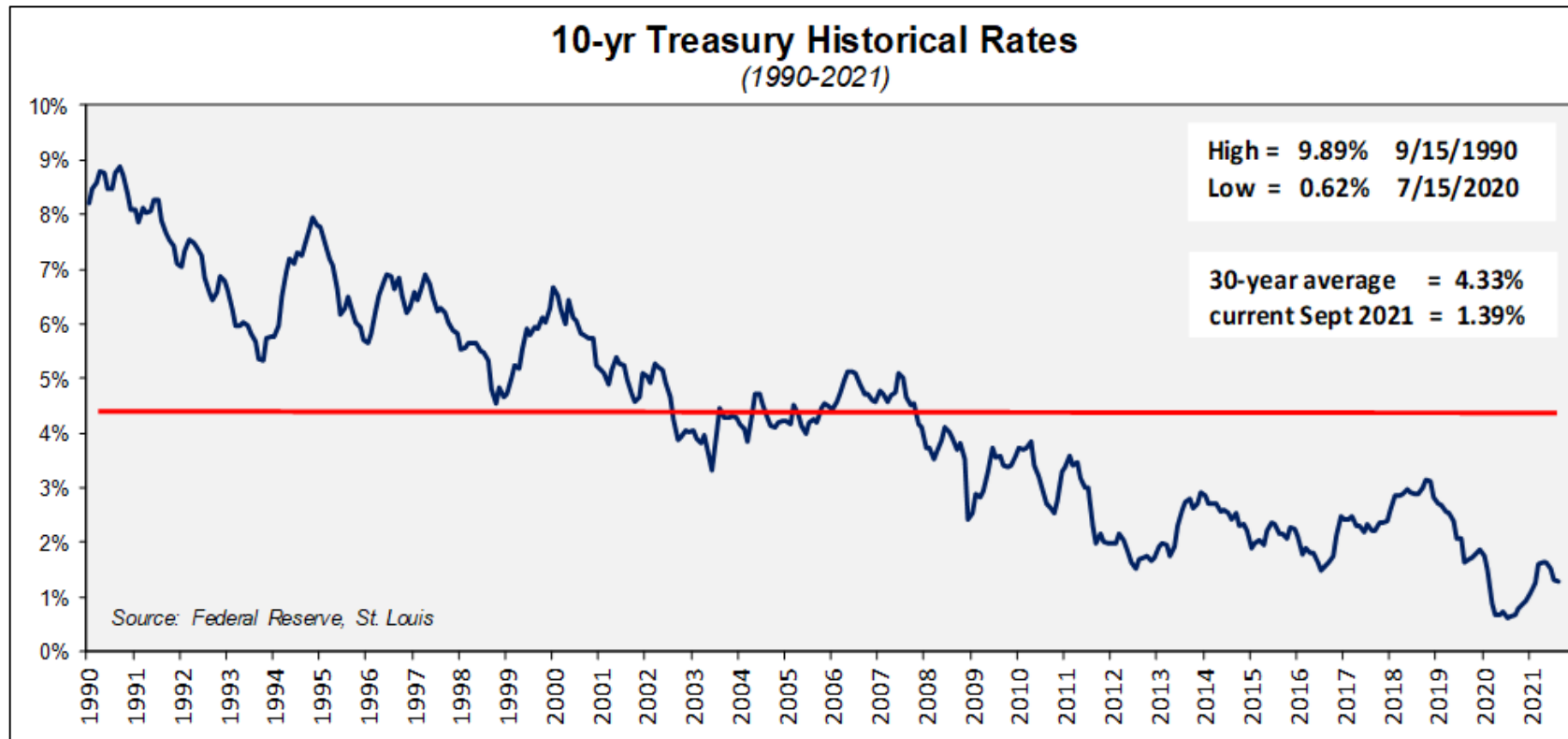
Upcoming Bond Issuance

Given the District's cash flow needs and the current interest rate environment, we are expecting to issue bonds as early as December

- The concept is that the District achieves a successful authorization and issues bonds in series over time to cover two or three years of upcoming expenditures.
- Depending on the pace of the expenditures and bond market conditions, we expect to sell bonds every 12 to 24 months.
- With an estimated January 1 balance of approximately \$62 million, a burn rate that is expected to grow to \$10 million per month by next spring, and very attractive interest rates, we would anticipate selling bonds as early as December.
- Assuming interest rates remain low, we would anticipate selling refunding bonds at the same time in order to use staff time most efficiently and save on costs of issuance.

Interest Rates

Interest rates remain near historic lows.



Ongoing Obligations

Recent developments have been good, and we continue to make progress on several longer-term priorities

- The County Board of Supervisors recently certified the District's 2021-22 tax base at \$127 billion (an increase of 5.5%% over last year) and established an overall general obligation bond tax rate of \$40.70 per \$100,000 of assessed value for tax year 2021-22 (an amount in line with overall bond tax rates in recent years).
- We continue to address rating agency concerns that have focused increasingly on District management, accreditation status, and operational issues.
- Other issues under regular review include: use of bond proceeds, arbitrage rebate liabilities, continuing disclosure, and various state compliance issues.



Communications and Long-Term Vision

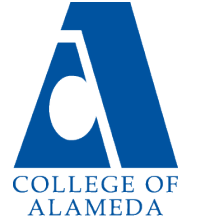
It's important to keep in mind that this is a long-term effort, and that we want to operate in a way that builds support for the program over time






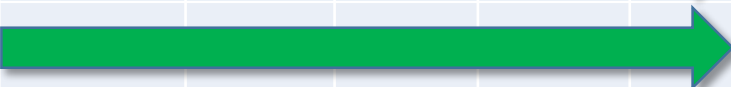



- A facilities master plan completed in 2018 estimated the District's then current facilities needs at more the \$2 billion.
- We know that facilities require ongoing maintenance, that additional needs emerge, and that educational needs evolve.
- Based on an analysis of the District's needs, the size of the District's tax base, our assessment of prudent debt management standards, and other factors, the District designed a program that would provide \$2 billion of facilities funding over a period of 20 years (FY 2018-19 through FY 2037-38).
- Successful implementation of such plan or any plan remotely similar in scope will require that the District place additional bond measures on the ballot in the future.



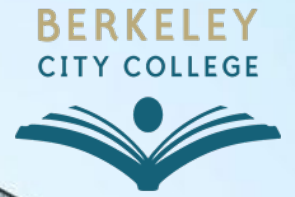
College of Alameda

College of Alameda



| <i>Current Progress (3/31/21)</i>  <i>Previous Status (8/31/21)</i>  | Project – Delivery Method (DBB/DB) | Next Milestone | Planning | Design | | | DSA | Bid/Award | Construction | |
|---|------------------------------------|----------------|---|---|------------------|--|------------------------|--------------|--------------|--------------|
| | | | Early Procurements | Programming | Schematic Design | Design Development | Construction Documents | DSA Approval | Bid/Award | Construction |
| | New Center for Liberal Arts - DB | AV/Art Pkgs |  | | | | | | | |
| | Auto and Diesel Technologies - DBB | DSA Review |  | | |  | | | | |
| | Aviation Complex Phase 1 - DBB | DSA Review |  | | |  | | | | |
| | Aviation Complex Phase 2 - DBB | Programming |  |  | | | | | | |
| | New Science/Admin Building - DB | Scoping | | | | | | | | |








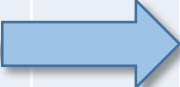
BERKELEY CITY COLLEGE

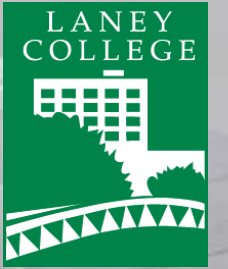
Berkeley City College

Rendering by:
XL Construction + Ratcliff

Berkeley City College



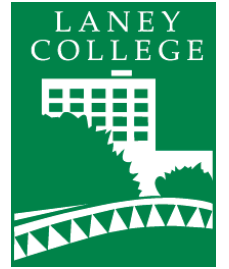
| Current Progress (3/31/21)  Previous Status (8/31/21)  Project – Delivery Method (DB) | Next Milestone | Planning | Design | | | DSA | Bid/Award | Construction |
|---|----------------|---|---|------------------|--------------------|------------------------|--------------|--------------|
| | | Procurements | Programming | Schematic Design | Design Development | Construction Documents | DSA Approval | Bid/Award |
| Berkeley City College West 2118 Milvia Street – DB | SD Phase |  |  | | | | | |
| | | | | | | | | |

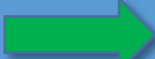


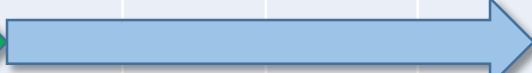
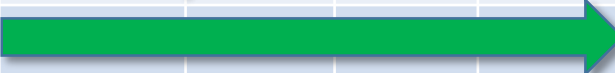







Laney College

Rendering by:
NOLL & TAM Architects

Laney College



| Current Progress (3/31/21)  Previous Status (8/31/21)  | Next Milestone | Planning | Design | | | DSA | Bid/Award | Construction |
|---|----------------|---|---|------------------|---|---|--|--------------|
| | | Early Procurements | Programming | Schematic Design | Design Development | Construction Documents | DSA Approval | Bid/Award |
| Laney Locker Room Mod – DB | 100% CD |  |  | | | | | |
| Central Plant / Cooling Tower – DB | DSA Review |  | | |  | | | |
| Learning and Resource Center – DBB | DSA Backcheck |  | | | | |  | |
| Laney Theater Modernization – DBB | DSA Review |  | | | |  | | |










Merritt College Campus

**Rendering by:
AE3 Partners**

Merritt College



| Current Progress (3/31/21)  Previous Status (8/31/21)  | Project – Delivery Method (DBB/DB) | Next Milestone | Planning | Design | | | DSA | Bid/Award | Construction | | |
|---|--|------------------|---|-------------|------------------|--------------------|------------------------|--|---|--------------|--|
| | | | Early Procurements | Programming | Schematic Design | Design Development | Construction Documents | DSA Approval | Bid/Award | Construction | |
| | Child Development Center – DBB | DSA Approval |  | | | | | |  | | |
| | Horticulture Building – DBB | DSA Review |  | | | | |  | | | |
| | Science/Allied Health – TI Buildout DB | Scoping/Delivery |  | | | | | | | | |



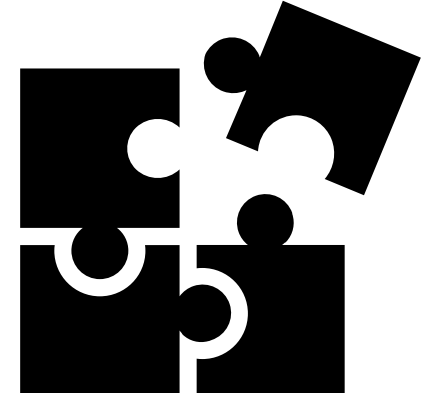
Evolution of the Program

- Factors that drive evolution
 - Space Utilization Analysis
 - District Priorities
 - Master Plan Updates
- Next Step:
 - Board Approval of Five Year Capital Outlay



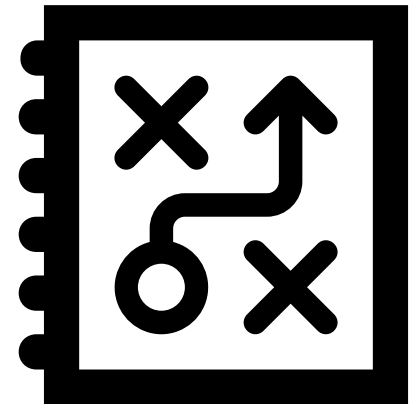
Program Challenges

1. State Funded Project Schedule Impacts
2. Infrastructure Budget Adequacy
3. Construction Cost Escalation
4. Process Improvement



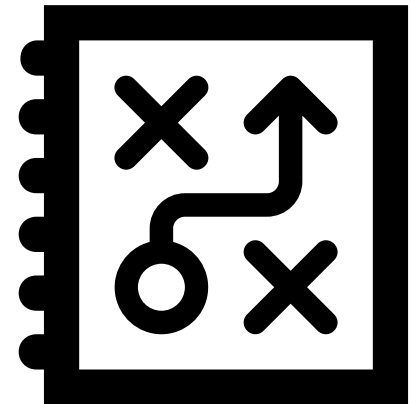
1. State Funded Project Schedule Impacts

- **Issue:** State milestone approval cycle to proceed has been 1.5 months longer during COVID
- **Impact:** 4.5 Month Schedule Delay to each State funded project
- **Mitigation:** Early intake with the State Chancellor's Office to facilitate submittal to the Department of Finance



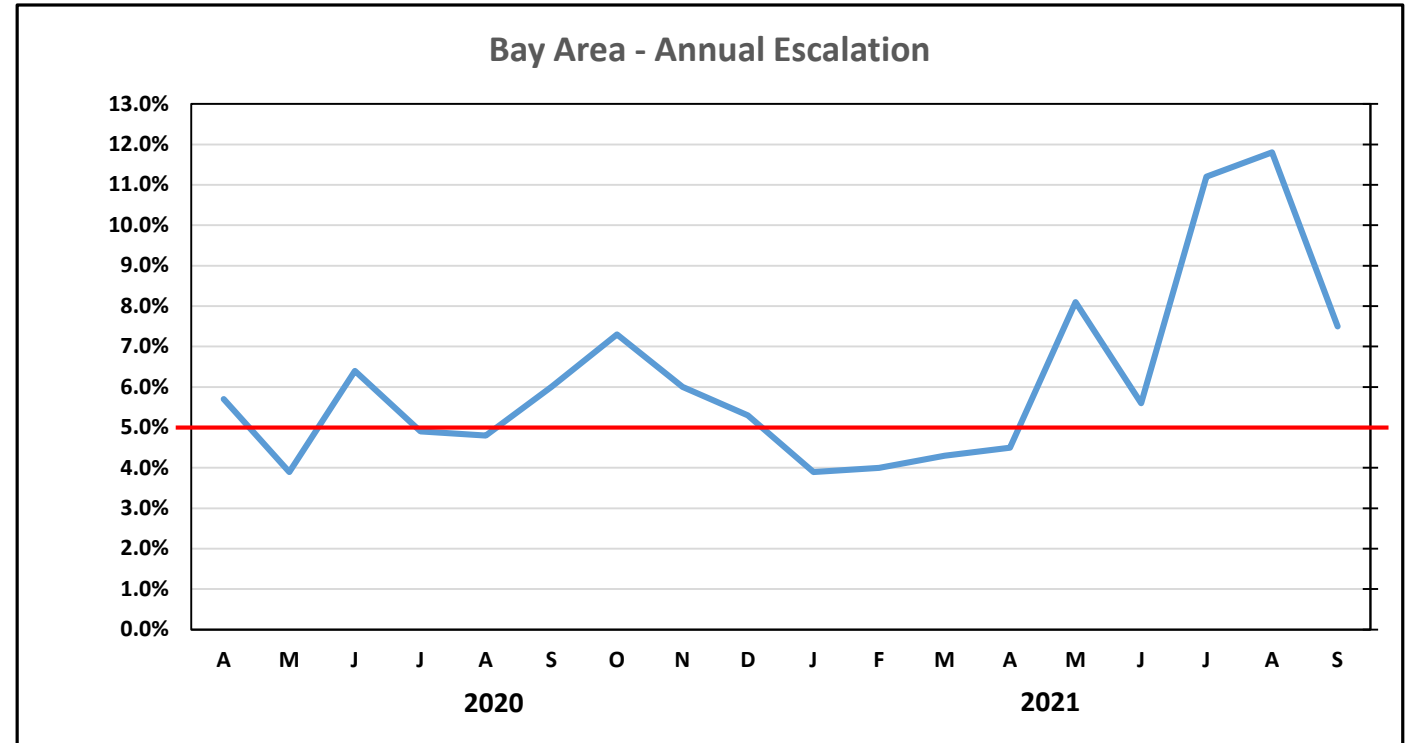
2. Infrastructure Budget Adequacy

- **Issue:** Infrastructure needs are more extensive than initially budgeted in the Bond Spending Plan
- **Impact:** Up to \$6.5 Million Cost Increase
- **Mitigation:**
 - Realignment of Bond Spending Plan projects
 - Leverage State and Federal Stimulus funding
 - Evaluation of alternative delivery



3. Construction Cost Escalation

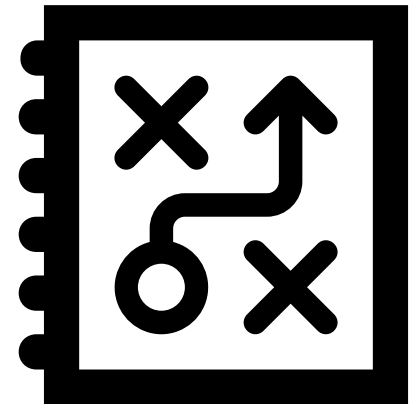
- **Issue:** Escalation Spike due to COVID
- **Impact:** Up to \$20.5M Construction Cost Increase
- **Mitigation:**
 - Contingency Use
 - Scope Alignment
 - Bid Phasing/Timing



Source: *Engineer News Record Building Cost Index, San Francisco Region*

4. Process Improvement

- **Issue:** Turnaround times for processing Contracts and Payments are lagging workflow targets
- **Impact:** Schedule delays and cost increases
- **Mitigation:** Compile data on turnaround times, review work flows to further optimize processes and identify resource issues



Business/Community Outreach

- Business Outreach
 - 6/30/21 - Berkeley Virtual Matchmaking
 - 9/14/21 - Berkeley Virtual Matchmaking
- Community Outreach
 - 4/23/21 – Oakland/Montclair/Piedmont
 - 7/26/21 - Berkeley Business Forum
 - 9/1/21 - Alameda Chamber of Commerce
 - 9/9/21 - Alameda Parks and Recreation



**VIRTUAL OUTREACH
MATCH MAKING**

 **BuildPERALTA**

Join Peralta Community College District's Bond Program for an overview and virtual matchmaking session for Berkeley City College West (Milvia) Project.

As part of the District's Small Local Business Outreach, firms interested in subcontracting opportunities (listed below) for this project, can register to schedule one-on-one virtual matchmaking meetings with project's Design Build team, XL Construction-Ratcliff.

**REGISTER TODAY
6.30.2021**

9:00am-9:30am Program/Project Overview
9:30am-12:00pm Match Making

 zoom

Space is limited, register early

 BERKELEY CITY COLLEGE



Berkeley City College New Milvia Street Building
conceptual rendering by: XL Construction + Ratcliff

Questions?

