

Glendale Community College District

August 22, 2011

INFORMATIONAL REPORT NO. 1

REPORT OF RECOMMENDATION

TO: Board of Trustees

SUBMITTED BY: Dawn Lindsay, Superintendent/President

PREPARED BY: Dawn Lindsay, Superintendent/President

SUBJECT: Opportunity for Student Dormitories

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DESCRIPTION OF HISTORY / BACKGROUND

Glendale College has actively pursued growth in our International Student Program. The City of Glendale entered into Sister City agreements with Goesong County and Gimpo City. The Sister City agreement led to an interest in increasing educational opportunities for students from Korea. Over the last 18 months Glendale Community College has developed several educational Memorandums of Understanding (MOU) with various provinces in Korea. Additional provinces have expressed an interest in developing MOU's during the 2011-12 academic year. One concern for the international student population is the lack of student housing on campus. To that end, we have been approached about creating space for a campus dormitory to be built at no cost to the District.

COMMITTEE HISTORY

Campus Executive July 12, 2011  
Campus Executive August 16, 2011

FISCAL IMPACT

The building will cost approximately \$30 million. All facilities costs will be provided for the college at no cost to the District. There is an anticipated increase in student revenue predicted through the increase in full time enrollment of international students.

PREPARER'S RECOMMENDATION

This proposed opportunity is for a college dormitory for Korean and other international students to be built at no cost to the District. The Superintendent/President recommends we review the benefits and liabilities of this project, as well as ensure shared governance input between this meeting and the October 17, 2011. The Board

needs to provide direction on the development of Letter of Interest requested from the developer by October 2011 or we will potentially lose this opportunity for housing resources.

## Glendale College Dormitory

August 22, 2011

### Issue

There is a desire to attract more international students to Glendale College. However, an identified need in fully serving these students involves housing opportunities.

### History

The City of Glendale has "Sister City" relationships with Goseong County and Gimpo City in Korea. Due to this "Sister City" relationship, talks about various partnerships between Korean provinces and GCC started in fall of 2010.

These talks led to the development of educational MOU'S (memorandum of understanding) between GCC and various Korean provinces. Chang Lee, Chairman of the Korean American Federation of Los Angeles, has identified funding that would enable Glendale Community College to have a dormitory for students on campus at no cost to the college.

On August 15, 2011, Chang Lee, Ken Merselis (WAM Development Group), Anita Gabrielian, Ron Nakasone and Dawn Lindsay met to discuss the feasibility of this project as well as the benefits and risks. Although this was a preliminary discussion, the College will need to make a decision by October 15, 2011 if we are interested in pursuing this opportunity, or possibly lose this opportunity to another local community college.

### Proposal

A 350 bed, 175 room facility will be built on the campus. The facility will be built on the upper parking lot surrounded by the large hill, the Life Long Learning Center and the 2 Freeway. In order to address concerns about the loss of parking, the developer suggested including a parking structure at the base of, or adjacent to, the proposed new facility. The dormitory could be utilized by international and local students. When asked about other possible building sites, the developer stated his research evidenced no available building sites were available in La Crescenta, Montrose or the surrounding Glendale area that are available for purchase and support required building codes.

### Identified Concerns

#### Inclusion of Shared Governance Process

Proposed Solution: Inclusion will be addressed to ensure this project is fully- but quickly -vetted. The Developer explained this project will lose the interest of the investors if we do not make a decision within the next several months and provide a signed Letter of Interest (LOI) by October 15, 2011. There are currently five other colleges who have expressed an interest in this project to Mr. Lee. There is no commitment expected in the LOI aside from an exclusive right to bargain.

This will be brought to Teams A & B prior to the September Board of Trustees meeting. This was brought to Campus Executive on July 12 and August 16, 2011 and will be revisited on a monthly basis by Campus Executive and Cabinet. In addition, Campus Development Committee will consider this at their September meeting.

#### Facility Management

The College does not want to engage in the task of property management or residential supervision.

Proposed solution: An outside property management company will do this task.

#### Cost

Glendale Community College currently does not have the funds to incur this cost.

Proposed Solution: Funds have been identified - there is no cost to the District to build this facility. According to Chang Lee the two funding options are: Korean Pension Fund or WAM (for upfront money). The construction will be financed by Bank of America. Current estimated cost is \$30 million.

#### Loss of resources

There is a potential loss of parking spaces for current students.

Proposed Solution: Include parking at the base of or adjacent to the building to recapture the loss of current parking.

#### Impact on Neighbors

The College would host meetings with local resident groups and homeowners associations. In looking at initial ideas, this facility would have little impact on local residents due to the proposed location. It will be surrounded by the hill at the far left side of our property, the 2 Freeway and the Life Learning Center.

Although there may be concerns of parking and traffic flow, this can be addressed by our Campus Police Department. In addition, it is not anticipated F1 students would have vehicles, so traffic concerns will be limited to local or out-of-state students and the majority of the 100 – 150 current parking spaces would be recreated with parking at the base of or adjacent to the facility.

#### Ownership of the Building

Glendale College would not have ownership of the building.

Proposed Solution: With a lease/lease-back the building would belong to the College at the end of the lease.

#### Safety Issues of the Children at our Child Development Center

Proposed Solution: We will work with Campus and Glendale Police to discuss safety issues.

### Use of Our Limited Real Estate

Although not in the plans for any type of development, is this a good utilization of our limited real estate?

Proposed Solution: We will do the research necessary and engage in campus dialog to determine the benefits and liabilities of this project to the College.

### Anticipated Benefits

- Construction of an additional building with no cost to the District.
- International students would have on-campus housing. This could be an attractive consideration for international students as they determine a U.S. college to attend.
- Residential issues will be managed by an outside agency without cost or liability to the District.
- The dormitory could be open to all international students as well as local students desiring the experience of a residential living experience on a college campus.
- Increased revenue for the college Cafeteria, which has been running with an annual deficit, as students will not have kitchens in their dorm rooms requiring them to seek alternative venues for food.
- If we do a lease/lease-back option the College would own the building at the conclusion of the lease.
- The new facility would be LEED certified and could possibly provide addition solar panels.

### Anticipated Risks

- There are five other colleges interested in this proposal, however; due to the relationship we have built with the Korean provinces, GCC was given the first opportunity for housing. If we fail to move on a LOI (letter of intent) by October 15, 2011, it is possible we will lose this opportunity to another local college.
- Although we do not have enough classes to meet current student demand at this point in time, if trends continue, we may be looking for enrollment growth around 2013-2014/2014-2015. This dormitory will place us as the only Southern California Community College with housing - an attractive resource to both international and local students. The dormitory could be ready by January 2014.
- Unanticipated liability that could be addressed by requiring insurance for the ground lease and property management company. All of the legal agreements would need to be reviewed by our legal counsel.

### Future Planning and Transparency

This facility was introduced at the July 18, 2011 Board of Trustees meeting.

This informational item is being included in the August Board of Trustees agenda to ensure transparency and dialog.

Legal counsel will be involved in this endeavor at every level. The LOI will be sent to our counsel, Mary Dowell, for review.

Sierra College and Bakersfield are two community colleges in California with residential housing opportunities. We will attain information and advice from these colleges in reference to "best practices" and "lessons learned".

At the September Board of Trustees meeting a proposed LOI will be presented as a First Reading Report.

If the college determines the benefits of this project outweigh the risks, the LOI will be presented at the October Board of Trustees meeting for approval. The development group has asked for this by October 15, 2011 if GCC is interested in moving forward with the development of this project.