



PUBLIC INFORMATION

ITEM NO. 4

DATE OF MEETING: July 11, 2011

REQUESTED BY: Dr. Eric McKeithan, President of Cape Fear Community College

SHORT TITLE: Proposal to Develop Master Plan and Initiate Design & Construction of an Office/Classroom Building on the 25 acre CFCC Campus in Surf City

BACKGROUND: Dr. McKeithan is proposing to initiate development of a campus master plan, and initiate design and construction of a office/classroom building on the property the College owns in Surf City. 25 acres was donated to CFCC in 2008 for the new campus which fronts NC 210 in Surf City, between NC 50 and US 17. The State requires a 50-50 match in local funding, and the property value along with the local financial commitments far exceeds the match requirement. CFCC is now in position with funding to initiate planning and development activities to construct a new 10,000-12,000 square foot furnished office/classroom building and associated parking, utilities, and so forth. The capital project cost is estimated to be \$2 million. Of course, the County must commit to appropriate the funds required for facility operating costs, including maintenance, utilities, insurance, etc. as provided by in the North Carolina general statutes governing community colleges.

A copy of the proposal is attached. Dr. McKeithan is present to review the proposal and plans for the new campus and facility with the Board.

Date: June 28, 2011

To: Eddie Crowell, Chairman, and
CFCC Trustees' Facilities Committee Members

From: Eric McKeithan, President

Re: Proposal for Surf City Campus Facilities

in 2005, CFCC lost the use of the old Topsail High School in Hampstead. Two years ago, Alston Burke donated 25 acres of property in Surf City for a new campus for CFCC in eastern Pender County.

It is now feasible to begin designing the first building on that property.

A new special provision in the 2011-13 state biennium budget allows community colleges to also use equipment funds for repairs and renovations of existing facilities and for construction of new facilities. Due to budget decisions implemented in 2010-11, CFCC is in a unique position to capitalize on this new provision by using a portion of 2011-13 state biennium funding to construct facilities on CFCC's Alston Burke Campus at Surf City.

Background

In 2009-10, CFCC's FTE grew by 16.5 percent. Enrollment growth was fully funded (about \$5.8 million) in CFCC's 2010-11 state budget. Knowing that federal stimulus money made available to North Carolina for the 2010-11 budget year would not be available in 2011-12 and that the state would have to cut allocations to all state-funded agencies in 2011-12, we chose to use \$2.7 million of the enrollment growth funding for non-recurring expenses in 2010-11, including filling several positions on a temporary full-time basis, replacing many aging computers, and acquiring other new equipment to update programs.

In 2010-11, CFCC grew by nearly 6 percent. The 2011 General Assembly fully funded that growth while simultaneously cutting community college budgets by 10.7%. The General Assembly increased community college student tuition by \$10 per semester credit hour, effectively generating additional estimated tuition revenue to offset 4.5 of the 10.7 percent cut--leaving about 6.2 percent cuts in the operating budgets of the colleges.

Increased funding in our 2011-12 state budget for the nearly 6 percent enrollment growth in 2010-11 almost offsets the remaining 6.2 percent budget cut for CFCC.

The bottom line is that CFCC is now well-positioned, equipment-wise, for 2011-12 due to substantial non-recurring investments we made in equipment in 2010-11. CFCC is therefore in a unique position to use a substantial portion of its equipment allocation for the 2011-13 biennium for constructing facilities on the Alston Burke Campus at Surf City.

Kennon Briggs, Executive Vice President of the NCCCS, has also advised me that: (1) this new special provision will operate under the same procedures used for equipment allocations in the past --- once an institution has spent its entire equipment allocation in any given budget year either for equipment or repairs/renovations/construction of new facilities, additional non-restricted funds from the institution's regular state budget allocation may also be used for repairs/renovations/construction of new facilities; and (2) once equipment and non-restricted funds are committed to repairs/renovations/construction of new facilities, the customary 12-month carryover provision ordinarily applying to equipment funds does not apply.

One additional new special provision merits mentioning ---- previously community college building projects of \$1 million or less did not require review by the Office of State Construction. The 2011 General Assembly raised that limit to \$4 million. This raised limit therefore allows CFCC to move more expeditiously to construct relatively small projects of \$4 million or less.

The Proposal

We propose to use \$1.75 million of CFCC's 2011-13 state allocations, along with \$500,000 pledged by the Town of Surf City and \$50,000 appropriated by Pender County, a total of \$2,300,000, to conduct a topographic survey, delineate wetlands, develop a master plan for the development of the 25 acre campus, and design and build a two-story masonry office/classroom building of about 10,000-12,000 square feet with at least 100 parking spaces on CFCC's Alston Burke Campus at Surf City. With the CFCC Board of Trustees' approval, we propose to announce the project in the September issue of the State Construction directory, thereby soliciting proposals from interested designers, and undertake the survey and wetlands delineation work as soon as possible.

While the state has a 50-50 matching requirement, Pender County has sufficient overmatch to enable the estimated \$2.3 million project to move forward without any additional investment other than Pender County's agreement to comply with NCGS 115D-32 (d) which specifies that *"counties that agree to have satellite campuses of community colleges located in them accept the maintenance and utility costs of these satellite campuses."*

By constructing this facility, CFCC will be able to better serve residents of Pender County closer to where they live. We recommend your enthusiastic approval.

C: CFCC Board of Trustees