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Colleges revamp expansion as economy booms, busts

by **Mary Beth Faller** - Sept. 15, 2012 10:02 PM
The Republic | azcentral.com

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In 2004, voters in Maricopa County overwhelmingly agreed to spend nearly a billion dollars to renovate and build new facilities for their 10 community colleges.

With the projects going up during one of the most volatile construction periods in history, the Maricopa County Community College District found that the \$951 million didn't go as far as MCCCCD hoped.

Projects that started early in the bond period -- during the economic boom years of 2005 to 2008 -- were cut back, squeezed and reshaped. Then the recession hit and prices fell, so projects that started in the past few years have been able to expand and add some extras.

When everything is completed, probably in the next two to three years, the district will have completed more than 1 million square feet of new construction.

It spent \$82 million on land and buildings -- a total of 280 acres and 22 sites from western Buckeye to far north Scottsdale.

More than 800,000 square feet of existing buildings have been remodeled.

The colleges also will have upgraded energy efficiency, [security](#) and technology.

The district is entering the final phase of the projects and plans to sell the last \$151 million in bonds next year. About a dozen projects still are in the design phase.

sky-high prices of the mid-2000s, when construction was booming and driving up costs. it was more expensive, because the colleges needed space then," said Lionel Diaz, associate vice chancellor for

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Opposition to bond

The 2004 construction bond was the third in 20 years, with the previous bonds in 1984 and 1994.

Kevin McCarthy, president of the Arizona Tax Research Association watchdog group, said his organization opposed the bond measure in 2004, partly because of its size and scope.

The association advocates a pay-as-you-go structure, with capital funding built into annual budgets.

McCarthy also said his group's skepticism on enrollment projections proved correct. In 2004, the colleges predicted 400,000 students in 2010 but actually had 255,000 students that year.

"These entities, not just the community colleges but schools and cities, can become hooked on bonds, and if future bonds are rejected, there are serious challenges associated with that," he said.

But in November 2004, 76 percent of voters said yes.

In 2005, while everything was still on paper, the colleges started negotiating land prices.

"That's when we really started seeing the prices take off, and it was 'gulp,'" Diaz said. "It wasn't the slam dunk we expected."

In 2006, Estrella Mountain Community College had \$5 million to buy 160 acres at Turner Road and Southern Avenue on the county line in Buckeye, but the money only bought 80 acres.

Likewise, construction costs were skyrocketing, which prompted a lot of difficult conversations.

"Everyone from the faculty to the librarians to student services was expecting a certain amount of space. All of a sudden, we're telling them no," Diaz said. "It wasn't easy."

Mesa Community College got the largest piece of the campus-renovation pie -- \$111 million. And like all the colleges, it saw its plans shrink, with renovation replacing some new construction.

"We had to figure out how to do what we promised with half the money," said Sonia Filan, director of institutional advancement for MCC.

The faculty and administrators hammered out a compromise. The physical-science and health departments each were supposed to get new facilities. Instead, a physical-science building was constructed, and the old structure was refurbished for the health department. Plans for a new humanities and communications building were shelved in favor of renovating the old one.

The college was going to build a new downtown school for preschool through postsecondary education in partnership with the city and Mesa Public Schools. That plan fell apart, and instead, the college decided to remodel several buildings on its campus, at Southern Avenue and Dobson Road.

"The beauty is that everyone talked about reality," Filan said.

Preservation offers savings

At one college, renovation rather than construction was not only cheaper but prettier.

Phoenix College tore down two buildings to construct its new arts building, but when the time came to demolish the old student union, the college decided to renovate instead.

The student union was built in 1939 as a Public Works Administration project under President Franklin Roosevelt. It endured several unfortunate remodels, including one during the 1970s, when a dropped ceiling was added and the big windows were replaced with small windows, according to Doug McCarthy, director of facilities.

"It was dark and dingy and not attractive," he said.

Last year, the building was gutted down to the walls, exposing [beautiful](#) steel-truss work, wood beams and red-brick walls. A roof skylight highlights the architecture. Some old redwood that was stored in the attic was refinished and became the ceiling for the new coffee shop in the building.

And the big windows returned in an energy-efficient way.

"Tearing down that building would have been a tragedy," McCarthy said. "We never could have built a building any neater than that."

Costs plummet

Like a roller coaster, the climbing construction prices hit a peak and didn't budge for a time.

Then, in 2010, the costs started coming down.

Projects under construction at the time were able to add back a patio or a little landscaping, said Diaz, the district's capital-planning vice chancellor. Some furniture was upgraded from basic to commercial.

"Nothing lavish, but something that will last a little longer," he said.

Real-estate costs also started to fall and made for some great bargains. Phoenix College bought two buildings off-site last year for \$50 a square foot -- "a smoking-hot deal," said Doug McCarthy. One will be renovated to house the college's nursing program, which has a waiting list that's years long.

New projects were enlarged as they were built.

At GateWay Community College in Phoenix, the new Integrated Education Building grew from a plan for 85,000 square feet among three buildings to one 121,000-square-foot building without an increase in the budget, according to President Eugene Giovannini.

The newly opened GateWay building includes classrooms, a library and a student center that will combine registration, financial aid, testing and advising into one place.

That one-stop shopping is a key component of the One Maricopa initiative undertaken last year to streamline procedures and improve academic success among colleges. Phoenix and Mesa colleges also included enrollment centers in their projects, and \$8 million of the bond paid for the Student Information System, another efficiency measure.

Possible next steps

If it sticks to its every-10-years schedule, the community-college district would be due to ask voters for more money in 2014.

"We're having the discussions now," Diaz said. "We're sensitive to the communities we serve."

He said technology is among the biggest needs now.

Kevin McCarthy of the tax-watchdog group said he will review any 2014 bond proposals that happen.

"There ought to be a studied effort to make room in the budget for soft capital so as not to create the cliff that occurs every 10 years."

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