



CALIFORNIA STATE
PUBLIC WORKS BOARD

EDMUND G. BROWN JR. • GOVERNOR

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AGENDA WITH ANALYSIS

NOTICE OF MEETING
STATE PUBLIC WORKS BOARD
[Wednesday, October 10, 2012](#)

The **STATE PUBLIC WORKS BOARD** will meet on
[Wednesday, October 10, 2012 at 9:30 a.m. in
Room 113, State Capitol, Sacramento, California.](#)
In accordance with provisions of section 11125 of the
Government Code, a copy of the Agenda is attached.

Greg Rogers
Administrative Secretary

Attachment

STATE PUBLIC WORKS BOARD

Wednesday

October 10, 2012

9:30 a.m.

Room 113

State Capitol

Sacramento, California

- I.** Roll Call

- II.** Approval of minutes from the September 5, 2012 and September 11, 2012 meetings

- III.** Bond Items Page 3

- IV.** Consent Items Page 20

- V.** Other Business Page 48

- VI.** Reportables Page 48

BOND ITEM

BOND ITEM—1

2012 SERIES G VARIOUS CAPITAL PROJECTS

Judicial Council (0250)

Project: **New North Butte County Courthouse**

Location: Butte County

Authority: Chapters 21 and 29, Statutes of 2012, Item 0250-301-0668 (1)

Project: **New Woodland Courthouse**

Location: Yolo County

Authority: Chapters 21 and 29, Statutes of 2012, Item 0250-301-0668 (4)

Project: **Renovation to Old Solano Courthouse**

Location: Solano County

Authority: Chapter 712, Statutes of 2010, Item 0250-301-0666 (7), as reappropriated by the Budget Act of 2011

Department of Toxic Substances Control (3960)

Project: **Stringfellow Pre-Treatment Plant**

Location: Riverside County

Authority: Chapters 21 and 29, Statutes of 2012, Item 3960-301-0668 (1)

Department of Corrections and Rehabilitation (5225)

Project: **DeWitt Nelson Correctional Annex**

Location: San Joaquin County

Authority: Sections 15819.40 (a) and (c), 15819.401 – 15819.404, and Section 15840 of the Government Code

Consider adoption of a resolution to:

1. Authorize the sale of the State Public Works Board Lease Revenue Bonds, 2012 Series G, Various Capital Projects, Tax-Exempt Bonds.
2. Approve the form of and authorize the execution of a One Hundred Twelfth Supplemental Indenture to the Master Indenture, between the State Treasurer and the State Public Works Board (the Board).
3. Approve the form of and authorize the execution and delivery of an Escrow Agreement by and between the Board and the State Treasurer, as escrow agent, relative to the defeasance of the outstanding (Department of Youth Authority) 2002 Series B (Various Correctional Projects) lease revenue bonds (2002B Bonds).
4. Approve the form of and authorize the execution of Site Leases between the above listed Participating Agencies and the Board.
5. Approve the form of and authorize the execution of Facility Leases between the above listed Participating Agencies and the Board.

6. Approve the form of and authorize the execution of Termination of Site Lease and Facility Lease agreements related to the 2002B Bonds between the Board and the Department of Corrections and Rehabilitation.
7. Approve the form of and authorize the execution of a Project Delivery Agreement for each of the above listed projects between the above listed Participating Agencies and the Board.
8. Approve the form of and authorize the execution of a Continuing Disclosure Agreement.
9. Approve the form of and authorize the execution of a Purchase Contract by and among the Board, the State Treasurer and the underwriters named therein.
10. Approve the form of and authorize the delivery of a Preliminary Official Statement.
11. Approve and authorize the delivery of an Official Statement.
12. Approve other related actions in connection with the authorization, issuance, sale, and delivery of said revenue bonds and the defeasance/refunding of the 2002B Bonds.

| | |
|--|----------------------|
| Estimated Project Costs to be Financed | \$430,617,000 |
| Estimated Par Value of Bonds to be Issued | \$465,135,000 |
| “Not To Exceed” Par Amount | \$574,480,000 |

BOND ITEM

STAFF ANALYSIS ITEM—1

2012 Series G
Various Capital Projects

Action Requested

If approved, the requested action would authorize the sale of the 2012 Series G lease revenue bonds and other related actions in connection with the issuance, sale, and delivery of said revenue bonds, including approving the forms of and authorizing the execution of a supplemental indenture, an escrow agreement, site leases, facility leases, project delivery agreements, a continuing disclosure agreement, a purchase contract and, authorizing the delivery of a preliminary official statement, and an official statement.

Scope Descriptions and Funding

These projects are within scope and cost.

Judicial Council Projects

North Butte County Courthouse Project (“the Butte Project”) consists of construction of a new courthouse for the Superior Court of California, County of Butte. The new courthouse will consist of a 65,096 square foot (sf) facility with 5 courtrooms and parking. The facility will be two stories over a basement and will be located on approximately 4 acres of state-owned land. The structure

is a steel moment frame on a spread footing reinforced concrete foundation system that is sheathed in a metal stud framing system with brick veneer and curtain wall glazing. The building is designed for sustainability with a goal of achieving a Leadership in Energy and Environmental Design (LEED) Silver rating from the United States Green Building Council.

The Butte Project is estimated to go out to bid in November 2012. Construction of the Butte Project is expected to commence in March 2013, is expected to last 20 months, and occupancy is expected in November 2014. The total project cost is estimated to be \$65,064,000, of which approximately \$54,016,000 is expected to be financed from the Bonds. The balance of project costs, which were for acquisition and design, were paid with cash.

The issuance of the Bonds for this project is authorized by Chapters 21 and 29, Statutes of 2012, Item 0250-301-0660 (1).

New Woodland Courthouse Project ("the Woodland Project") consists of construction of a new courthouse for the Superior Court of California, County of Yolo. The new courthouse will consist of a 163,066 gross square foot (gsf) facility with 14 courtrooms, and parking on and off-site. The facility will be five stories over a basement and will be located on approximately 3.75 acres of state-owned land for the courthouse with onsite parking and approximately 2.3 acres of state-owned land for the off-site parking. The structure is a steel moment resisting frame on auger cast piles foundation system that is sheathed in a metal stud framing system with natural stone along the base and pre-cast concrete of a compatible color over the balance of the façade. The building is designed for sustainability with a goal of achieving a LEED Silver rating from the United States Green Building Council.

The Woodland Project is estimated to go out to bid in December 2012. Construction of the Project is expected to commence in April 2013, is expected to last 25 months, and occupancy is expected in May 2015. The total project cost is estimated to be \$161,452,000, of which approximately \$139,031,000 is expected to be financed from the Bonds. The balance of project costs, which were for acquisition and design, were paid with cash.

The issuance of the Bonds for this project has been authorized by Chapters 21 and 29, Statutes of 2012, Item 0250-301-0660 (4).

Renovation to Fairfield Old Solano Courthouse Project ("the Solano Project") consists of remodeling the existing vacant Old Solano Courthouse in the City of Fairfield. The Solano Project will be located on approximately 3.3 acres of state owned real property. The renovated courthouse will consist of 3 courtrooms in the existing 29,930 sf courthouse, with associated support spaces, and incorporate ADA, infrastructure, and seismic upgrades to the building and parking. The building is designed for sustainability with a goal of achieving a LEED Silver rating from the United States Green Building Council.

The Solano Project is estimated to go out to bid in November 2012. Construction is expected to commence in February 2013 and anticipated to last 16 months, and occupancy is expected in June 2014. The total project cost is estimated to be \$28,274,000, of which approximately \$23,045,000 is expected to be financed from the Bonds. The balance of project costs, which were for acquisition, design, and county funded construction costs, were paid with cash.

The issuance of the Bonds for this project is authorized by Chapter 712, Statutes of 2010, Item 0250-301-0660 (7), as reappropriated by the Budget Act of 2011.

Department of Toxic Substances Control Project

Stringfellow Pre-Treatment Plant Project (“the Stringfellow Project”) The Stringfellow Project will provide for the construction of the new pre-treatment facility on approximately 3.42 acres of the 50-acre Stringfellow Federal Superfund Site. The new facility is designed to pre-treat contaminated groundwater extracted from the Stringfellow Federal Superfund Site prior to discharge to the regional industrial waste line.

The Stringfellow Project includes the construction of an 8,300 gsf Administration Building consisting of offices, an analytical laboratory, a treatment process control room, and personnel decontamination facilities, a 24,000 sf open air chemical and physical treatment facility consisting of approximately 30 tanks, 50 pumps, 4 clarifiers, 4 presses, 2 air compressors, 4 filtration vessels, 3 blowers, interconnecting piping, and instrumentation, a 1,900 sf Maintenance Shop consisting of equipment maintenance area and the facility’s motor control center and a 240,000-gallon sub-grade secondary containment structure under the treatment facility.

The plant uses both chemical and physical processes to treat contaminated groundwater at a maximum rate of 120 gallons per minute. The chemical and physical treatment will consist of: a) air stripping of volatile organic compounds, b) pesticides co-precipitation with solids handling and filtering, c) heavy metals precipitation with solids handling and filtering, d) liquid effluent final polishing, and e) vapor emissions treatment.

The Stringfellow Project is estimated to go out to bid in October 2012. Construction is expected to commence in April 2013, is expected to last 26 months, occupancy is expected in July 2015 and facility commissioning to be completed by July 2015. The total project cost is estimated to be \$53,928,191 of which approximately \$47,667,000 is expected to be financed from the 2012 Series G Bonds. The balance of the projects cost, which were for acquisition and design, were paid for with cash.

The issuance of the 2012 Series G Bonds for this project has been authorized by Chapter 21 and 29, Statutes of 2012, Line Item 3960-301-0668 (1).

Department of Corrections and Rehabilitation Project

The DeWitt Nelson Correctional Annex (the “DeWitt Project”) is located in the City of Stockton in San Joaquin County on approximately 90 acres of state owned property. The DeWitt Project consists of the repurposing of the existing DeWitt Nelson Youth Correctional Facility to a semi-autonomous adult male, medium security facility. The renovated facility is designed to house up to 1,133 inmates and will be an annex to the adjacent California Health Care Facility (CHCF) and be dependent upon the CHCF for most support services. The CHCF is under construction and was primarily financed with the Board’s 2012 Series A Bonds.

The DeWitt Project will provide space for housing, programming, healthcare services, inmate visiting, and limited ancillary support services. The DeWitt Project includes a new celled housing unit and four renovated dorm housing units. Renovation work of the existing buildings will include structural upgrades as well as upgrades to the window/door hardware and electrical, mechanical, security, and fire alarm systems. The DeWitt Project also includes renovations to the Visitor’s Security Entrance and Hall building previously financed with a portion of the 2002 Series B Bonds. These renovations will repurpose the interior of the building for use as a mental health clinic.

The new celled housing unit will be approximately 113,000 sf and contain 425 cells arranged on two levels with central dayrooms on the ground floor. This building will have a central control complex located on the second floor to provide visual observation to all portions of the building.

Access to this housing unit will be through a secure entrance/exit operated from the central control complex. The exterior and cell walls will be constructed of precast concrete panels. The foundation/ground floor will be a concrete slab on grade and the upper floor and cell roof area will be constructed precast planks with lightweight concrete fill on top. The roof over the dayroom will be framed with steel beams supporting concrete placed on steel deck, with roofing and insulation above.

The design and construction of the DeWitt Project is being completed using the design/build delivery method. Design commenced in July 2012 and is expected to be completed in December 2012. Demolition and site preparation construction activities commenced in August 2012. Renovation of existing buildings and the construction of new buildings are expected to commence in November 2012, last approximately 18 months, and occupancy is expected in May 2014. The total DeWitt Project cost is estimated to be \$167,027,000 of which \$166,858,000 is expected to be financed with proceeds from the 2012 Series G Bonds.

The issuance of the 2012 Series G Bonds for this project has been authorized by sections 15819.40 (a) and (c) and 15819.401-15819.404 of the Government Code.

Staff Recommendation: Adopt the resolution.

BOND ITEM

BOND ITEM—2

DEPARTMENT OF EDUCATION

2012 SERIES H

RIVERSIDE SCHOOL FOR THE DEAF, RIVERSIDE CAMPUS PROJECTS

RIVERSIDE COUNTY

Department of Education (6110)

Project: **Career and Technical Education Complex and Service Yard**

Location: Riverside County

Authority: *Chapters 38 and 39, Statutes of 2005, Item 6110-301-0660 (1), as reappropriated by the Budget Acts of 2007, 2008, 2009, 2010, and 2011;*
Chapters 171 and 172, Statutes of 2007, Item 6110-301-0660 (2), as reappropriated by the Budget Acts of 2009, 2010, and 2011.

Project: **Kitchen and Dining Hall Renovation**

Location: Riverside County

Authority: *Chapters 47 and 48, Statutes of 2006, Item 6110-301-0660 (1), as reappropriated by the Budget Acts of 2008, 2009, 2010, and 2011;*
Chapters 268 and 269, Statutes of 2008, Item 6110-301-0660 (3), as reappropriated by the Budget Acts of 2009, 2010, and 2011.

Project: **Academic Support Cores, Bus Loop and Renovation**

Location: Riverside County

Authority: *Chapters 171 and 172, Statutes of 2007, Item 6110-301-0660 (3), as reappropriated by Budget Act of 2010 and 2011.*
Chapter 21 and 29, Statutes of 2012, Item 6110-301-0660 (2)

Consider adoption of a resolution to:

1. Authorize the sale of the State Public Works Board Lease Revenue Bonds, Department of Education, 2012 Series H, Riverside Campus Projects.
2. Approve the form of and authorize the execution of a One Hundred Thirteenth Supplemental Indenture to the Master Indenture, between the State Treasurer and the Board. This Supplemental Indenture, among other things, will designate the 2012 Series H Bonds to be a Related Series of Bonds that will be secured on a parity basis with the Boards 2009 Series B Bonds.
3. Approve the form of and authorize the execution of a First Amendment to the Site Lease between the Department of Education and the Board.
4. Approve the form of and authorize the execution of a First Amendment to the Facility Lease between the Board and the Department of Education.
5. Approve the form of and authorize the execution of a Continuing Disclosure Agreement.
6. Approve the form of and authorize the execution of a Purchase Contract by and among the Board, the State Treasurer, and the underwriters named therein.

7. Approve the form of and authorize the delivery of a Preliminary Official Statement.
8. Approve and authorize the delivery of an Official Statement.
9. Approve other related actions in connection with the authorization, issuance, sale, and delivery of said revenue bonds.

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|--|---------------------|
| Estimated Project Costs to be Financed | \$44,687,000 |
| Estimated Par Value of Bonds to be Issued | \$54,150,000 |
| “Not To Exceed” Par Amount | \$67,255,000 |

BOND ITEM

STAFF ANALYSIS ITEM—2

Department of Education
2012 Series H
Riverside Campus Projects
Riverside County

Action Requested

The requested action would authorize the sale of the 2012 Series H lease revenue bonds and other related actions in connection with the issuance, sale, and delivery of said revenue bonds, including approving the forms of and authorizing the execution and delivery of a supplemental indenture, a first amendment to the site and facility lease, a continuing disclosure agreement, a purchasing contract, the delivery of a preliminary official statement, and an official statement.

Scope Description and Funding

These projects are within scope and cost.

The Career Technical Educational Center and Service Yard Project (CTEC Project) will construct a new 23,727 square foot (sf) career technical education complex, consisting of classrooms, offices, a vocational kitchen, and indoor and outdoor dining areas, storage rooms, and training rooms for graphic arts, advertising art, information technology, and video studio. The CTEC Project also includes a 12,504 sf shop building that includes offices, storage rooms, an auto shop, paint booth, and teaching space for the construction trades and horticulture/landscaping. Also included is a 200 sf greenhouse, 10,000 sf service yard, parking for 71 vehicles, landscaping, utilities, walkways, site lighting, and demolition of the existing buildings including hazardous material removal and monitoring. Construction will be in two phases. This project will seek Leadership in Energy and Environmental Design (L.E.E.D.) Silver certification. The CTEC Project will be used for mostly middle school and high school career technology education programs.

The CTEC Project is estimated to go out to bid in October 2012. Construction of the project is expected to commence in April 2013, is scheduled to last 22 months, and occupancy is expected in March 2015. The total project cost is estimated to be \$20,408,000, of which approximately \$20,094,000 is expected to be financed with proceeds from the 2012 Series H Bonds. The balance of the project costs, which was design, was paid with cash.

The Academic Support Core, Bus Loop & Renovation Project (Cores Project) will construct 6 support cores for the academic areas (early childhood education, elementary, and high schools), 3 additional classrooms, and construction of a new early childhood education bus loop at the California School for the Deaf-Riverside (CSDR). One support core will be constructed for the early childhood education (ECE) school, in addition to a 1,500 sf addition for the 3 classrooms. Two support cores will be constructed for the elementary school and 3 support cores for the high school. The bus loop will be situated to the east of the ECE to safely transport the young children to and from the preschool and kindergarten areas. The Cores Project includes renovation of the existing Pachappa III, Rubidoux I and K2 buildings for office space and educational areas, the installation of new heating hot water boilers for the existing facilities and changing the steam coil in the social hall to a hot water coil. The existing boiler plant is to be decommissioned once all the buildings have been removed from the steam heating system.

Construction of the Cores Project is estimated to go out to bid in October 2012, is expected to commence in April 2013 and is scheduled to last 14 months, with occupancy expected in July 2014. The total project cost is estimated to be \$11,893,000, of which approximately \$11,789,000 is expected to be financed from proceeds of the 2012 Series H Bonds. The balance of the project costs, which was design, was paid from cash.

The Kitchen and Dining Hall Renovation Project (Kitchen Project) will renovate and expand the kitchen and dining hall by an additional 3,728 sf to accommodate the students. The Kitchen Project includes adding a movable divider between the dining rooms, redesigning the food serving area to provide an additional food serving line, and improving the layout of the kitchen area for efficiency and food safety. The project also includes upgrading kitchen equipment, adding accessible restrooms, and adding air-conditioning to the dining hall to improve the indoor environment.

Construction of the Kitchen Project is estimated to go out to bid in October 2012, is scheduled to commence in July 2014, is expected to last 24 months, and occupancy is expected in August 2016. The total project cost is estimated to be \$13,774,000 and is expected to be financed with proceeds from the 2012 Series H Bonds.

In the Supplemental Indenture, the Board will designate the 2012 Series H Bonds to constitute a Related Series of Bonds to the Boards 2009 Series B Bonds that financed the Riverside Campus Project the 2012 Series H Bonds will be secured on parity with the 2009 Series B Bonds. Accordingly, in the First Amendment to Facility Lease the Department of Education promises to make rental payments sufficient to pay principal and interest on both the 2012 Series H Bonds and the 2009 Series B Bonds in exchange for use and occupancy of the financed facilities.

Staff Recommendation: Adopt the resolution.

BOND ITEMS

BOND ITEM—3

**DEPARTMENT OF CORRECTIONS AND REHABILITATION (5225)
2012 SERIES I, LEASE REVENUE REFUNDING BONDS
CALIFORNIA STATE PRISON – LASSEN COUNTY, SUSANVILLE
LASSEN COUNTY**

Authority: Section 15840 of the Government Code

Consider adoption of a resolution to:

1. Authorize the sale of the State Public Works Board Lease Revenue Refunding Bonds, 2012 Series I, California State Prison – Lassen County, Susanville.
2. Approve the form of and authorize the execution and delivery of a Fourth Supplemental Indenture between the State Treasurer and the Board.
3. Approve the form of and authorize the execution and delivery of an Escrow Agreement between the Board and the State Treasurer, as escrow agent.
4. Approve the form of and authorize the execution and delivery of a Third Amendment to the Site Lease between the Department of Corrections and Rehabilitation and the Board.
5. Approve the form of and authorize the execution and delivery of a Fifth Amendment to the Facility Lease between the Board and the Department of Corrections and Rehabilitation.
6. Approve the form of and authorize the execution and delivery of a Purchase Contract by and among the Board, the State Treasurer and the underwriters named therein.
7. Approve the form of and authorize the execution and delivery of a Continuing Disclosure Agreement.
8. Approve the form of and authorize the delivery of a Preliminary Official Statement.
9. Approve and authorize the delivery of an Official Statement.
10. Approve other related actions in connection with the authorization, issuance, sale, and delivery of said revenue bonds.

**Estimated Par Value of Refunding Bonds to be Issued
“Not To Exceed” Par Amount**

**\$67,510,000
\$84,305,000**

BOND ITEMS

STAFF ANALYSIS ITEM—3

Department of Corrections and Rehabilitation
2012 Series I, Lease Revenue Refunding Bonds
California State Prison – Lassen County, Susanville
Lassen County

Action Requested

If approved, the requested action would authorize the sale of the 2012 Series I lease revenue refunding bonds and other related actions in connection with the issuance, sale, and delivery of said revenue bonds, including approving the forms of and authorizing the execution and delivery of a supplemental indenture, an escrow agreement, amendments to the site lease and the facility lease at California State Prison – Lassen County, Susanville, a purchase contract, and a continuing disclosure agreement and authorizing the delivery of a preliminary official statement and an official statement.

Scope Description

This project is within scope. The California State Prison – Lassen County, Susanville, currently known as High Desert State Prison (“HDSP”) is located in Lassen County approximately 7 miles east of the City of Susanville, adjacent to the California Correctional Center. HDSP is located on approximately 324 acres of state owned property and includes approximately 1.2 million square feet of building space for administration; housing; health care services; religious, vocational, and academic programs; and support services.

The HDSP is comprised of four housing facilities inside the security perimeter, two with maximum security housing units and two with medium security housing units. The maximum security facilities include administrative segregation unit housing. The exterior and cell walls for the housing units are constructed of precast concert panels. The ground floor is concrete slab-on-grade, while the upper floor and cell roof area are constructed of precast planks. The roof over the day room is framed with steel beams supporting concrete placed on steel decking, with insulation and roofing above. In addition, there is a minimum security facility located outside the security perimeter. The minimum security facility foundation consists of continuous footings for exterior walls. Floors are concrete slab-on-grade. The structure consists of perimeter tilt-up concrete walls and a pre-finished metal roof over a steel deck supported by steel main members.

The medium and maximum security inmates are housed in celled housing units. Each medium and maximum security facility operates semi-autonomously and is separated from the others by security fencing or buildings. However, all four facilities are contained within a double-fenced security perimeter with an electrified fence located between the double fences. Each of these four facilities provides food services; religious, vocational, and academic programs; laundry; canteen; medical and dental services; and library services. Prison-wide support services such as central administration, maintenance, warehouse, and visitor processing are located outside the secure perimeter. Some support services are located at and shared with the California Correctional Center. These services include laundry, a firehouse, a firing range, and a wastewater treatment plant. The Department of Corrections and Rehabilitation has had beneficial use and occupancy of HDSP since August 1995.

Funding Verification

This project is within cost. The Board previously issued its Lease Revenue Bonds (Department of Corrections) 2004 Series E (California State Prison – Lassen County, Susanville) to finance and refinance a portion of the costs of the acquisition and construction of the California State Prison – Lassen County, Susanville (the “2004 Bonds”). This transaction will refund all or a portion of the 2004 Bonds. These refunding bonds are to be issued pursuant to the Board’s adopted refunding policy of September 5, 2012. The current outstanding principal amount of the 2004 Bonds is \$68,895,000.

The Board’s refunding policy authorizes the issuance of refunding bonds under two circumstances: (1) when the refunding generates positive net present value savings equal to at least 3 percent of the par amount of bonds to be refunded, and (2) when the refunding will produce benefits to the Board’s bond program apart from debt service savings. The 2012 Series I refunding bonds will meet these general criteria at the time of refinancing, or the State Treasurer will defer sale until market conditions are more favorable.

Staff Recommendation: Adopt the resolution.

BOND ITEM

BOND ITEM—4

**DEPARTMENT OF PUBLIC HEALTH (4265)
2012 SERIES J, LEASE REVENUE REFUNDING BONDS
RICHMOND HEALTH SERVICES LABORATORY – PHASE II
CONTRA COSTA COUNTY**

Authority: Section 15840 of the Government Code

Consider adoption of a resolution to:

1. Authorize the sale of the State Public Works Board Lease Revenue Refunding Bonds, 2012 Series J, Richmond Health Services Laboratory Project.
2. Approve the form of and authorize the execution and delivery of the One Hundred Fourteenth Supplemental Indenture between the State Treasurer and the Board.
3. Approve the form of and authorize the execution and delivery of a Third Amendment to the Facility Lease by and between the Board and the Department of Public Health.
4. Approve the form of and authorize the execution and delivery of a Continuing Disclosure Agreement.
5. Approve the form of and authorize the execution and delivery of an Escrow Agreement by and between the Board and the State Treasurer, as escrow agent.
6. Approve the form of and authorize the execution of a Purchase Contract by and among the Board, the State Treasurer, and the underwriters named therein.
7. Approve the form of and authorize the delivery of a Preliminary Official Statement.
8. Approve and authorize the delivery of an Official Statement.
9. Approve other related actions in connection with the authorization, issuance, sale, and delivery of said refunding lease revenue bonds.

**Estimated Par Value of Bonds to be Issued
“Not To Exceed” Par Amount**

**\$20,625,000
\$24,285,000**

BOND ITEM

STAFF ANALYSIS ITEM—4

Department of Public Health
2012 Series J, Lease Revenue Refunding Bonds
Richmond Health Services Laboratory – Phase II
Contra Costa County

Action Requested

If approved, the requested action would authorize the sale of the 2012 Series J lease revenue refunding bonds and other related actions in connection with the issuance, sale, and delivery of said revenue bonds, including approving the forms of and authorizing the execution and delivery of a supplemental indenture, an escrow agreement, certain amendments to a purchase contract, and a continuing disclosure agreement and authorizing the delivery of a preliminary official statement and an official statement.

Scope Description

This project is within scope. The Department of Public Health (DPH) – Richmond Health Services Laboratory – Phase II Project (Lab Project) is located in Contra Costa County near the East Bay of the San Francisco Bay Area.

The Lab Project is a state-of-the-art facility responsible for the testing and research of numerous infectious, environmental and genetic diseases, from HIV/AIDS to influenza to cholera and a variety of food poisoning organisms such as salmonellosis and E. coli. The work conducted at the lab ensures that Californians have clean and safe air, food and drinking water.

The Department of Public Health has had beneficial use and occupancy of the Health Services Laboratory since 2001.

Funding Verification

This project is within cost. The Board previously issued its Lease Revenue Bonds 1999 Series A Bonds to finance and refinance a portion of the costs of the acquisition and construction of the Lab Project. This transaction will refund all or a portion of the 1999 Bonds. These refunding bonds are to be issued pursuant to the Board's adopted refunding policy of September 15, 2012. The current outstanding principal amount of the 1999 Bonds is \$29,595,000.

The Board's refunding policy authorizes the issuance of refunding bonds under two circumstances: (1) when the refunding generates positive net present value savings equal to at least 3 percent of the par amount of bonds to be refunded, and (2) when the refunding will produce benefits to the Board's bond program apart from debt service savings. The 2012 Series J refunding bonds will meet these general criteria at the time of refinancing, or the State Treasurer will defer sale until market conditions are more favorable

Staff Recommendation: Adopt the resolution.

BOND ITEMS

BOND ITEM—5

UNIVERSITY OF CALIFORNIA (6440) VARIOUS UNIVERSITY OF CALIFORNIA PROJECTS

Project: **Scripps Institute of Oceanography (SIO) Research Support Facilities**
Campus: San Diego
Authority: *Chapters 33, Statutes of 2011, Item 6440-301-0668 (1), as reappropriated by
the Budget Act of 2012*

Project: **Davidson Library Addition and Renewal**
Campus: Santa Barbara
Authority: *Chapters 47 and 48, Statutes of 2006, Item 6440-301-6048 (12), as reappropriated
by the Budget Act of 2009;
Chapters 171 and 172, Statutes of 2007, Item 6440-301-6048 (13), as
reappropriated by the Budget Acts of 2008 and 2009;
Chapter 712, Statutes of 2010, Item 6440-301-0660 (3), as reappropriated by the
Budget Acts of 2011 and 2012*

Consider adoption of a resolution to:

1. Authorize actions to be taken to provide for interim financing and declare the official intent of the Board to reimburse certain capital expenditures from the Public Buildings Construction Fund from the proceeds of the sale of bonds.
2. Authorize the sale of lease revenue bonds.
3. Approve the form of and authorize the execution of Project Delivery Agreements between the Regents of the University of California and the Board.
4. Approve other related actions in connection with the authorization, issuance, sale, and delivery of said revenue bonds.

Total Bond Appropriation

\$78,530,000

BOND ITEMS

STAFF ANALYSIS ITEM—5

University of California
Various University of California Projects

Action Requested

The requested action would consider authorizing actions to be taken to provide for interim financing and declare the official intent of the Board to reimburse certain capital expenditures from the Public Buildings Construction Fund from the proceeds of the sale of bonds, authorize the sale of lease revenue bonds, approve the form of and authorize the execution of Project Delivery Agreements between the Regents of the University of California and the Board, and approve other related actions in connection with the authorization, issuance, sale, and delivery of said revenue bonds.

SIO Research Support Facilities

Scope Description

The project is within scope and cost. The SIO Research Support Facilities project will provide 21,300 assignable square feet of new construction to support sea-going programs in the Scripps Institution of Oceanography. The new construction consists of three pre-fabricated buildings that are similar in size and scale to the existing pre-engineered buildings that are to remain on the site. The project also includes construction of exterior research support areas and improvements to the existing access road.

Funding and Project Cost Verification

The project is within cost.

\$ 6,348,000 total authorized project costs (State funds)

\$ 6,348,000 total estimated project cost

\$ 613,000 project costs previously allocated: \$276,000 preliminary plans; \$337,000 working drawings

\$ 5,735,000 project costs to be allocated: \$5,735,000 construction (state lease revenue bonds) (\$5,300,000 contracts, \$237,000 contingency, \$198,000 project administration)

CEQA

The Notice of Determination was filed with the State Clearinghouse on January 10, 2012, and the 30-day waiting period expired on February 9, 2012, without challenge.

Real Estate Due Diligence

A Title Evaluation Report for this project was completed on May 16, 2012, and no issues were identified that would adversely affect the quiet use and enjoyment of the project area.

Project Schedule

| | |
|---------------------------|---------------|
| Approve preliminary plans | February 2012 |
| Complete working drawings | August 2012 |
| Start construction | October 2012 |
| Complete construction | December 2013 |

Other

The Regents of the University of California (Regents) have not approved the interim financing for this facility. An item is proposed to go to the Regents in late October 2012 for this approval.

Davidson Library Addition and Renewal

Scope Description

The project is within scope and cost. The UC Santa Barbara Davidson Library Addition and Renewal project will expand and update the existing campus library located at the heart of the UCSB campus. A three-story addition, linked by connectors to the north of the existing building, will provide 44,646 asf (assignable square feet) for 24-hour access, information areas, instruction and group study areas, seminar and reading rooms, special collections, and staff offices and workspaces. The project also will complete renovations to 114,679 asf of existing library space and improve the safety, function and operations of the library through the correction of existing structural shear wall deficiencies in the two-story wing and eight-story tower. Improvements include the creation of a new entry and building pass-through; reconfigured floor layouts to provide additional seating capacity and space efficiencies; the replacement of mechanical, electrical and plumbing infrastructure; and the recladding of the north wing as part of the seismic retrofit. New fire sprinkler and alarm systems will be installed throughout the entire library complex in accordance with the latest fire- and life-safety code requirements.

Funding and Project Cost Verification

The project is within cost.

| | |
|---------------|---|
| \$ 75,165,000 | total authorized project costs (State funds) |
| \$ 76,240,000 | total estimated project costs |
| \$ 3,763,000 | project costs previously allocated: \$1,353,000 preliminary plans (State); \$2,410,000 working drawings (State) |
| \$ 72,447,000 | project costs to be allocated: \$71,402,000 construction (state lease revenue bonds) (\$62,065,000 contracts, \$3,707,000 contingency, \$5,630,000 project administration); \$1,075,000 equipment (future State request) |

CEQA

The Notice of Determination was filed with the State Clearinghouse on March 20, 2009 and the 30-day statutes of limitations expired on April 19, 2009, without challenge.

Real Estate Due Diligence

A Title Evaluation Report for this project was completed on June 6, 2011, and no issues were identified that would adversely affect the quiet use and enjoyment of the project area.

Project Schedule

| | |
|---------------------------|---------------|
| Approve preliminary plans | June 2010 |
| Complete working drawings | November 2012 |
| Start construction | March 2013 |
| Complete construction | August 2015 |

Other

The Regents approved the use of interim financing in September 2012.

Staff Recommendation: **Adopt an amended Resolution to only include the Davidson Library Addition and Renewal project, as this is the project the Regents have authorized to use interim financing.**

CONSENT ITEMS

CONSENT ITEM—1

**DEPARTMENT OF FORESTRY AND FIRE PROTECTION (3540)
ACADEMY: CONSTRUCT DORMITORY AND EXPAND MESS HALL
AMADOR COUNTY**

Authority: Chapters 47 and 48, Statutes of 2006, Item 3540-301-0660 (5), as reappropriated by the Budget Acts of 2008, 2009, and 2011

Consider recognizing a scope change

CONSENT ITEMS

STAFF ANALYSIS ITEM—1

Department of Forestry and Fire Protection
Academy: Construct Dormitory and Expand Mess Hall
Amador County

Action Requested

If approved, the requested action would recognize a scope change.

Scope Description

This project is not within scope. The approved project scope includes a 17,822 square feet (sf), 80-bed dormitory and a 2,500 sf mess hall expansion. The mess hall portion of the project would expand the existing 6,500 sf mess hall to 8,700 sf. The Department of Forestry and Fire Protection (CalFire) is requesting to remove the mess hall portion of this project because it has been determined that any expansion of the current mess hall would require costly alterations of adjacent buildings to meet code requirements, likely to cost several millions of dollars and would exceed the available funding. CalFire estimates that it would be more cost effective to construct a new mess hall at a different location on the Academy campus and plans to pursue a separate project in the future to address the existing mess hall deficiencies.

On September 12, 2012, Finance notified the chairs of the Joint Legislative Budget Committee of the intent to recommend approval of this scope change no sooner than 20 days after the notification. The 20-day waiting period expired on October 2, 2012, without adverse comments.

Funding and Cost Verification

This project is not within cost. A total of \$10,000,000 lease revenue bonds have been appropriated for preliminary plans (\$594,000), working drawings (\$549,000), and construction (\$8,857,000). While the removal of the mess hall will reduce overall project costs, the Department of General Services (DGS) estimates that the total project costs, after removing the mess hall, are expected to remain essentially unchanged, at \$10,007,000 (net increase of \$7,000). The revised project costs reflect an increase of \$545,000 for preliminary plans, and an increase of \$169,000 for working drawings, and estimated net construction savings of \$707,000. According to DGS, the increased design costs can be mainly attributed to extensive project delays and other factors, as described in more detail below.

The estimated cost of preliminary plans has increased primarily because of project delays associated with the Pooled Money Investment Board's freeze on interim funding (December 2008). After the project was restarted (fall 2011), it was determined that the preliminary plans needed to be revised significantly to incorporate updated building codes and to meet more stringent Leadership in Energy and Efficiency Design standards.

The estimated net construction savings of \$707,000 reflects savings from the removal of the mess hall (-\$499,000), an adjustment for current market conditions (-\$713,000), as detailed below, and increased soft costs (\$505,000). While the cost of construction is based on a detailed estimate completed in March 2008, DGS has accounted for subsequent changes in the construction market by including an adjustment of \$713,000 (or 12 percent). This adjustment is based on an analysis of recent bid results for other similar projects and is intended to account for the current (more favorable) bid climate, as well current labor and material costs. However, a new, more detailed estimate will be available at the completion of preliminary plans and any significant cost changes will be addressed at that time. CalFire and DGS will also continue to evaluate cost containment measures, such as value engineering, to help keep this project within budget.

| | |
|--------------|---|
| \$10,000,000 | total authorized project costs |
| \$10,007,000 | total estimated project costs |
| \$ 638,000 | project costs previously allocated: preliminary plans |
| \$ 9,362,000 | project costs to be allocated: \$545,000 preliminary plans, \$718,000 working drawings, and \$8,099,000 construction (\$6,114,000 contract, \$299,000 contingency, \$791,000 A&E, \$730,000 other project costs, and \$165,000 agency retained) |
| \$ 7,000 | estimated deficit |

CEQA

The appropriate documentation will be completed prior to seeking approval for preliminary plans.

Real Estate Due Diligence

Real estate due diligence for this project will be completed prior to seeking approval of preliminary plans.

Project Schedule

| | |
|---------------------------|----------------|
| Approve preliminary plans | December 2012 |
| Complete working drawings | January 2014 |
| Start construction | May 2014 |
| Complete construction | September 2015 |

Staff Recommendation: Recognize scope change.

CONSENT ITEMS

CONSENT ITEM—2

**CALIFORNIA DEPARTMENT OF FORESTRY AND FIRE PROTECTION (3540)
BLANCHARD FIRE STATION REPLACEMENT FACILITY
TUOLUMNE COUNTY**

Authority: Chapter 33, Statutes of 2011, item 3540-301-0668 (2)

Consider authorizing site selection

CONSENT ITEMS

STAFF ANALYSIS ITEM—2

Department of Forestry and Fire Protection
Blanchard Fire Station Replacement Facility
Tuolumne County

Action Requested

If approved, the requested action would authorize site selection.

Scope Description

This project is within scope. This project authorizes site selection of a 10.6-acre portion of an approximately 20-acre ownership that includes the state's 2-acre ground leased Blanchard Fire Station (Blanchard FS). The boundaries of the acquisition parcel are to be determined during negotiations to best meet the needs of the state while leaving marketable remainder parcels for the owner. This request will authorize site selection for the acquisition of the existing 2-acre leasehold with up to an additional 8.6 acres to provide area for construction of new facilities and swing space during construction.

Funding and Cost Verification

This project is within cost. A total of \$300,000 (lease revenue bonds) provides funding for the acquisition of 10 acres for the future construction of a replacement facility for the Blanchard FS.

\$ 300,000 total authorized project costs
\$ 300,000 total estimated project costs
\$ 60,000 project costs previously allocated: acquisition
\$ 240,000 project costs to be allocated

- Blanchard FS. The proposed facility will require a new septic system and may require a well. Electricity is available to the site.
- The 20-acre property has frontage on Highway 132 and Bonds Flat Road. Ingress and egress are available on both roads with encroachment permits.
- The property is zoned commercial, 2 acre minimum, and a partial acquisition of 10 acres will not result in non-conforming remainder parcels.
- The purchase contract shall require removing the property from recorded development agreements between the property owner and the county.

Staff Recommendation: Authorize site selection.

CONSENT ITEMS

CONSENT ITEM—3

DEPARTMENT OF PARKS AND RECREATION (3790)
DONNER MEMORIAL STATE PARK
CADJEW (TDLT) PROPERTY ACQUISITION
NEVADA COUNTY
DPR Parcel No. 016119; DGS Parcel No. 10710

Authority: Chapter 379, Statutes of 2002, Item 3790-301-6029 (6), as reappropriated by the 2005, 2008, and 2011 Budget Acts

Consider authorizing site selection

CONSENT ITEMS

STAFF ANALYSIS ITEM—3

Department of Parks and Recreation
Donner Memorial State Park, Cadjew (TDLT) Property Acquisition
Nevada and Placer County

Action Requested

If approved, the requested action would authorize site selection.

Scope Description

This project is within scope. This request will authorize the Department of Parks and Recreation (Parks) to acquire approximately 257 acres of land located adjacent to Donner Memorial State Park in order to protect the lands surrounding existing federal recreational trails and to provide the future opportunity to connect these trails to the existing trail system within the park. The acquisition would provide the public with expanded recreation and interpretive opportunities, as well as habitat and watershed protection for Donner Memorial State Park and Donner Lake.

Funding and Cost Verification

This project is within cost. The Budget Act of 2002 provides funding for the acquisition of inholdings and opportunity purchases. The balance of the appropriation is sufficient to acquire the subject property in accordance with legislative intent.

CEQA

A Notice of Exemption was filed with the State Clearinghouse on December 9, 2010, and the 35-day statutes of limitation expired on January 12, 2011, without challenge.

Project Schedule

Close of escrow

December 31, 2012

Condition of Property Statement

In November 2010 and September 2012, the Department of General Services (DGS) conducted site visits to assess the general condition of approximately 257 acres of partially developed forested land located in the Sierra Nevada Mountains in Nevada and Placer County. The site topography varies from gently- to steeply-sloped, and is vegetated with a mixture of conifers, aspens, and various shrubs. Several unpaved access roads traverse the property. Billy Mack Creek also crosses the property along with an additional unnamed creek. Most of the property is undeveloped with the following exceptions: a fuel pipeline, a small bridge, several unpaved access roads, an overhead high-voltage transmission line, a small cabin with an on-site sewage disposal system, and two 40-foot steel storage containers and a trailer. All of these are to be removed prior to close of escrow, with the exception of the access roads, which are gated or blocked off by boulders and will be left as is.

Phase I ESA

The Phase I Environmental Site Assessment (ESA), published in October 2010 revealed two recognized environmental conditions (REC), one historical REC, and other conditions in connection with the property, and they are described as follows:

Four 55-gallon Drums – the Phase I ESA reported the presence of four 55-gallon drums filled with waste oil and fluids from servicing equipment. This was considered a REC as defined by ASTM International standards. A Phase II ESA was recommended and is discussed further below; however, these drums have since been removed from the property.

On-site Sewage Disposal System – The age of the on-site sewage disposal system is unknown. The Phase I ESA reported no known issues or raw sewage releases. The existing on-site sewage disposal system is considered a REC. Because Parks plans to remove the cabin from the site, the Phase I ESA considered this condition as not likely to have a significant impact to the property.

Cabin – The Phase I ESA reported that due to the age of the cabin (pre-1982), it is likely that lead-based paint and asbestos-containing materials are present. The Tahoe Donner Land Trust (TDLT) will remove the cabin prior to Parks taking possession of the property.

Fuel Pipeline – A fuel pipeline traverses the property. Upland from the property there were two reported fuel releases that occurred in 2000 and 2005 along the pipeline. The releases impacted the surface water that traverse the property. In each case, remedial efforts were promptly employed and the cases have been closed by the appropriate regulatory agencies. These incidences are considered historical RECs. The volumes that travel through the pipeline are monitored daily, and as a preventative measure against leaks the pipeline is electronically scoped for distress every three years. The Phase I ESA indicates that because the pipeline is a permanent fixture, additional releases along this line may occur in the future; however, the release would be limited by the daily pipeline monitoring, and so the associated risk would be minimal, as evidenced in past emergency responses.

Potential Natural Hazards – The property is located in a steep, alpine setting. As a result, the property is exposed to natural hazards, such as rock fall, forest fire, debris flows, flooding, and

avalanches. Moderate to high avalanche run out zones are located within the property. This is not considered a REC. The Phase I ESA reported that the hazards associated with avalanche risks are minimized as there are no structures identified within the avalanche paths.

Slope Instability – The Phase I ESA reported that the property includes steep slopes, relatively granular soil conditions, and sparse vegetation, which have resulted in areas of erosion, potential slope instability, and sediment transport. This is not considered a REC.

Billy Mack Creek – The Phase I ESA reported that Billy Mack Creek is susceptible to erosion and damming by beavers. Over the years, the prior property owner removed sediment build-up in the creek. About 200 cubic yards of stockpiled sand is located south of the creek. It is possible that seasonal and localized flooding occurs. This is not considered a REC.

Phase II ESA

The November 2010 Phase II ESA reported a small amount of diesel fuel had spilled onto the ground beneath the drums, impacting a small and shallow area of soil. Remediation was conducted pursuant to cleanup procedures and the impacted soil was disposed of properly, and the barrels were removed. The cleanup addressed what is considered a “de minimis” condition. De minimis conditions are not considered a threat to human health or the environment and generally would not be the subject of an enforcement action if brought to the attention of appropriate governmental agencies.

Other

- The purchase price shall not exceed estimated fair market value as determined by a DGS-approved appraisal.
- The property is currently owned by the TDLT. The TDLT has indicated to Parks that they are willing to sell the property to the state at below fair market value. The TDLT has also indicated a willingness to donate up to \$100,000 for future public access improvements.
- The property acquisition agreement will require delivery of title to the property free and clear of any mortgages or liens.
- The property is vacant and any remaining personal property will be removed prior to close of escrow.
- There is no relocation assistance involved with this project.
- There is no pending litigation related to this parcel.
- There is no implied dedication applicable to this property.
- While Parks is aware of historic trail and settlement activity in the overall project area, no historic features of significance have actually been officially researched and documented on the acquisition property. In the event such features are found and documented in the future, Parks will coordinate as necessary with the State Historic Preservation Office.
- The property has the potential for natural hazards such as rock falls, forest fires, seasonal flooding, slope instability, and avalanches. These types of hazards are not atypical of other existing units in the State Parks System. Parks manages these types of hazards through appropriate warning signage and temporary closures of trails and public access facilities at such times that the potential for occurrence of these natural hazards is high. The State is provided with relief from liability associated with “any natural condition” (including “land failure”) through Government Code Sections 831.2 and 831.25.

- The 257-acre acquisition is adjacent to Donner Memorial State Park and would provide the public with additional recreational and interpretive/educational opportunities. Parks expects to be able to patrol and maintain the property within existing staff resources. Because the property sits along the Park's main road and is easily accessible and lacks structures (once the cabin is removed), this property will result in minimal maintenance costs.
- Any changes to public access, use, management, operations, development, resources or habitat protection will be addressed through the normal budget process.

Staff Recommendation: Authorize site selection.

CONSENT ITEMS

CONSENT ITEM—4

DEPARTMENT OF PARKS AND RECREATION (1760)

OCOTILLO WELLS STATE VEHICLE RECREATION AREA, TRUCKHAVEN SITES

IMPERIAL COUNTY

DPR Parcel Number 016678, DGS Parcel Numbers 10769-10769.E and 99999-99999.H

Authority: Chapter 712, Statutes of 2010, Item 3790-301-0263(4)

Consider authorizing site selection

CONSENT ITEMS

STAFF ANALYSIS ITEM—4

Department of Parks and Recreation

Ocotillo Wells State Vehicle Recreation Area, Truckhaven Sites

Imperial County

Action Requested

If approved, the requested action would authorize site selection.

Scope Description

This project is within scope. The requested action would authorize the site selection of approximately 217 acres of land, consisting of 15 separate parcels, to be used as a buffer for Ocotillo Wells State Vehicle Recreation Area (SVRA) by the Department of Parks and Recreation (Parks). The subject parcels range in size from approximately 0.25 acres to approximately 80 acres, some of which are clustered together, whereas others are scattered throughout the nearby area. These unimproved sites are vacant and are located in an unincorporated rural area of Imperial County near Salton City and State Highway 86.

Funding and Cost Verification

This project is within cost. The Budget Act of 2010 appropriated \$2,000,000 for Off-Highway Vehicle (OHV) studies and acquisitions. The balance of the appropriation is sufficient to acquire the subject property in accordance with legislative intent.

CEQA

A new General Plan/Environmental Impact Report for Ocotillo Wells SVRA is currently being drafted and is expected to be completed in early 2013.

Project Schedule

Close of escrow

November 2012

Condition of Property

The 15 properties are located in Imperial County west of the Salton Sea near Salton City, west of Highway 86, and in close proximity to the Borrego-Salton Sea Way road. The topography consists of rugged desert badlands to relatively flat lying mesas with vegetation consisting of a sparse cover of brush and shrubs. There are numerous drainages and washes throughout the vicinity, along with dirt roads and power lines.

Phase 1 Environmental Site Assessment (ESA)

A Phase 1 ESA was completed for the properties in March 2012. The Phase 1 ESA indicated that no Recognized Environmental Concerns (RECs) were observed on these 15 parcels. The Department of General Services visited the site in July 2012, and did not observe any environmental concerns.

Other

- The purchase price shall not exceed estimated fair market value as determined by a DGS-approved appraisal.
- Implied dedication may exist due to an undetermined portion of the subject parcels that may be subject to public use. The desert terrain is typically traversed by the general public without regard to ownership, and use of the land for off-highway vehicle activity is open and notorious. According to Parks, the implied dedication would not adversely affect Park's use of the properties.
- Mineral and water rights with surface rights of entry were previously conveyed on some of the parcels within the proposed acquisition area. There is no known active oil, gas, water or mineral extraction in the area. Public Resource Code 5006.45(c) permits prospecting and the extraction of mineral rights at the Ocotillo Wells SVRA under specified circumstances. Parks has determined that the existence of these rights will not unreasonably interfere with the use of the property.
- Parks is not aware of any lawsuits pending concerning the property. The property acquisition agreement will require delivery of title to the property free and clear of any mortgages or liens.
- Relocation assistance will not be required.
- Additional resources will not be required to operate this property, because the properties are undeveloped and are patrolled by air, thus requiring only the most minimal maintenance and security efforts.

Staff Recommendation: Authorize site selection.

CONSENT ITEMS

CONSENT ITEM—5

DEPARTMENT OF CORRECTIONS AND REHABILITATION (5225)
CALIFORNIA MEN'S COLONY
WASTEWATER TREATMENT PLANT UPGRADE
SAN LUIS OBISPO COUNTY

*Authority: Section 28 (a) of Chapter 7, Statutes of 2007
Section 7050 of the Penal Code*

Consider recognizing revised project costs

CONSENT ITEMS

STAFF ANALYSIS ITEM—5

Department of Corrections and Rehabilitation
California Men's Colony
Wastewater Treatment Plant Upgrade
San Luis Obispo County

Action Requested

If approved, the requested action would recognize revised project costs for a decrease of \$395,000.

Scope Description

This project is within scope. This project will upgrade the existing wastewater treatment chlorination system at the California Men's Colony (CMC) wastewater treatment plant with a more effective ultraviolet (UV) disinfection system. The new system will reduce the formation of trihalomethanes by eliminating the current use of liquid chlorine.

This project is necessary to bring the CMC's wastewater treatment plant effluent into compliance with a Waste Discharge Requirement Order issued by the Central Coast Regional Water Quality Control Board in July 2006 and a Finding of Violation and Order issued by the United States Environmental Protection Agency in July 2009. These violations note unsatisfactory levels of trihalomethanes, a harmful by-product made when chlorine reacts with organic matter, in the CMC's current wastewater effluent. If unaddressed, the orders could result in hundreds of thousands of dollars in state and/or federal fines and penalties.

The project will upgrade the facility's existing wastewater disinfection process by replacing its current liquid chlorine disinfection system with a UV system that will eliminate the formation of trihalomethanes. The UV disinfection system will be installed on a concrete slab within the existing wastewater treatment system and be covered with a metal canopy. Additionally, a new fine screen will be installed to remove plastics and small suspended particulates and open wastewater channels will be covered to help prevent algae growth. Electrical equipment associated with this project will be installed immediately adjacent to the UV system and will include an emergency generator. Other improvements contained in this project include relocating an existing fire hydrant and connecting adjacent structures to the new UV system.

Funding and Project Cost Verification

This project is within cost. On February 16, 2010, the Board took an action allocating \$8,633,000 of the \$300 million General Fund appropriated in section 28 (a) of Chapter 7, Statutes of 2007 for capital outlay to renovate, improve, or expand infrastructure capacity at existing prison facilities to complete design and construction for this project. A new project cost estimate was prepared in association with completion of preliminary plans. Based on this estimate, the Board recognized revised project costs in September 2011 for increases in estimated costs for working drawings (\$82,000) and construction (\$818,000), bringing the total allocation for the project to \$9,533,000. The current project cost estimate was prepared upon completion of the bid process and in association with award of the construction contract. Based on the current estimate, the total estimated project cost is \$9,138,000, a decrease of \$395,000. This action will recognize these revised project costs as detailed below.

\$9,533,000 total authorized project cost

\$9,138,000 total estimated project costs

\$9,533,000 project costs previously allocated: \$594,000 preliminary plans, \$659,000 working drawings, and \$8,280,000 construction (\$6,108,000 contract, \$428,000 contingency, \$653,000 A&E, \$812,000 other project costs, and \$279,000 agency retained items)

\$ 395,000 project costs decrease: \$395,000 construction (\$283,000 contract, \$20,000 contingency and \$179,000 agency retained items and an increase of \$19,000 A&E and \$68,000 other project costs)

CEQA

A Notice of Exemption was filed with the State Clearinghouse on October 19, 2010 and the 35-day statutes of limitation expired on November 24, 2010, without challenge.

Real Estate Due Diligence

A Summary of Conditions Letter for this project was completed on August 16, 2011 and no issues that would adversely affect the quiet use and enjoyment of the project were identified.

Project Schedule

| | |
|---------------------------|----------------|
| Approve preliminary plans | September 2011 |
| Complete working drawings | June 2012 |
| Start construction | August 2012 |
| Complete construction | December 2013 |

Staff Recommendation: Recognize revised project costs

CONSENT ITEMS

CONSENT ITEM—6

DEPARTMENT OF CORRECTIONS AND REHABILITATION (5225)
CHUCKAWALLA VALLEY STATE PRISON
EMERGENCY POWER TO WATER TREATMENT PLANT REVERSE OSMOSIS SYSTEM
RIVERSIDE COUNTY

*Authority: Section 28 (a) of Chapter 7, Statutes of 2007
Section 7050 of the Penal Code*

Consider establishing scope, cost, and schedule

CONSENT ITEMS

STAFF ANALYSIS ITEM—6

Department of Corrections and Rehabilitation
Chuckawalla Valley State Prison
Emergency Power to Water Treatment Plant Reverse Osmosis System
Riverside County

Action Requested

If approved, the requested action would establish the project scope, cost, and schedule.

Scope Description

This project will design and install a dedicated emergency power supply to support the Chuckawalla Valley State Prison's (CVSP) water treatment plant reverse osmosis system. Currently, CVSP lacks dedicated emergency power for the reverse osmosis component of the water treatment plant. The proposed project would install a new 2.5 megawatt diesel fueled emergency generator system, the associated switchgear, and a new 12,000 gallon above-ground fuel tank. The generator system will be contained within a weather protective enclosure and the switchgear will be located adjacent to the generator in a metal building that will also be constructed as part of this project. The generator and the fuel tank will be secured within a 12-foot high security fence with lighting.

Pursuant to the provisions of section 7050 (b) of the Penal Code, the Department of Corrections and Rehabilitation (CDCR) reported the scope, cost, and schedule information for this project to the Joint Legislative Budget Committee on September 6, 2012, concurrent with submission of its request to the Board to establish the scope, cost, and schedule.

Funding and Project Cost Verification

Section 28 (a) of Chapter 7 of the Statutes of 2007 (AB 900) appropriated \$300 million General Fund to the CDCR for capital outlay to renovate, improve or expand infrastructure capacity at existing prison facilities. This action would allocate \$4,119,000 of the AB 900 General Fund appropriation to complete design and construction for this project.

\$4,119,000 total estimated project cost

\$4,119,000 project costs to be allocated: \$272,000 preliminary plans, \$283,000 working drawings, \$3,564,000 construction (\$2,769,000 contract, \$194,000 contingency, \$214,000 A&E, \$311,000 other project costs, and \$76,000 agency retained items)

CEQA

The appropriate CEQA documentation for this project will be completed prior to seeking approval of preliminary plans.

Real Estate Due Diligence

Real estate due diligence review for this project will be complete prior to seeking approval of preliminary plans.

Project Schedule

| | |
|---------------------------|---------------|
| Approve preliminary plans | October 2013 |
| Complete working drawings | February 2014 |
| Start construction | June 2014 |
| Complete construction | March 2015 |

Staff Recommendation: Establish project scope, cost, and schedule.

CONSENT ITEMS

CONSENT ITEM—7

DEPARTMENT OF CORRECTIONS AND REHABILITATION (5225)
CALIFORNIA INSTITUTION FOR MEN
HEALTH CARE FACILITY IMPROVEMENT PROJECT
SAN BERNARDINO COUNTY

Authority: Sections 15819.40 (b) and (c) and 15819.401-15819.404 of the Government Code

Consider establishing scope, cost, and schedule

CONSENT ITEMS

STAFF ANALYSIS ITEM—7

Department of Corrections and Rehabilitation
California Institution for Men
Health Care Facility Improvement Project
San Bernardino County

Action Requested

If approved, the requested action would establish the project scope, cost, and schedule.

Scope Description

The Health Care Facility Improvement Program project at the California Institution for Men (CIM) will support CIM's operation as an Intermediate institution as part of the California Department of Corrections and Rehabilitation Health Care Facility Improvement Program strategy to address statewide prison health care system deficiencies. The purpose of the health care facility improvements at CIM is to remedy deficiencies in medication distribution, primary care, specialty care, health care administration, health records, pharmacy, reception center health care intake screening, and disabled accessibility.

CIM is one of 11 institutions designated as an Intermediate institution based on the institution's ability to recruit clinicians and its access to medical specialists and related services. Intermediate institutions will have the capability of providing tertiary care consultation and specialized medical services including those which utilize advanced technologies such as neurosurgery and cardiology for inmates with chronic and/or terminal illnesses.

This project includes the design and construction of a new Facility A primary care clinic, accessibility improvements to the housing units and path-of-travel in Facility A, a reception center health care processing addition, renovations to the Facility B primary care clinic, renovations to the Facility B medication distribution rooms, renovations and an addition to the Facility C primary care clinic, new primary care clinics on the north and south of Facility D, pharmacy renovations, central health services building renovations, infirmary renovations, a new health care administration building, and utility improvements. The new primary care clinics in Facility A and Facility D will provide for centralized primary health care at an Intermediate level of care. The reception center health care processing addition will provide an appropriate clinic to accommodate newly received inmates. The renovations to the medication distribution rooms will provide appropriate pill distribution and security.

The pharmacy renovation will accommodate pharmaceutical demands at an Intermediate level of care. The central health services renovation will provide appropriate specialty clinic space and 24/7 emergency triage and treatment space. The infirmary renovation will address infectious control deficiencies. The new health care administration building will move administrative staff out of the central health services building in order to focus that existing space on clinical functions. The disabled accessibility improvements to the housing units and paths-of-travel will allow Facility A to be designated as a Disability Placement Program institution. Currently there are no level II intermediate institutions with a Disability Placement Program in the prison system. In addition, infrastructure upgrades will provide utilities, including emergency power, to the new buildings constructed as part of this project and upgrades to utilities serving existing buildings that are being expanded.

Funding and Cost Verification

This action would allocate \$52,602,000 of the \$900,419,000 lease revenue bond financing authority appropriated for medical, dental, and mental health facilities in section 15819.403 (a) of the Government Code to complete design and construction for this project.

\$52,602,000 total estimated project costs

\$52,602,000 project costs to be allocated: \$2,554,000 preliminary plans, \$3,027,000 working drawings, \$47,021,000 construction (\$33,701,000 contract, \$2,022,000 contingency, \$2,494,000 A&E, \$2,844,000 other project costs, and \$5,960,000 agency retained items)

CEQA

The appropriate CEQA documentation for this project will be completed prior to seeking approval of preliminary plans.

Real Estate Due Diligence

Real estate due diligence review for this project will be complete prior to seeking approval of preliminary plans.

Project Schedule

| | |
|---------------------------|----------------|
| Approve preliminary plans | October 2013 |
| Complete working drawings | May 2014 |
| Start construction | September 2014 |
| Complete construction | September 2016 |

Staff Recommendation: Establish project scope, cost, and schedule.

CONSENT ITEMS

CONSENT ITEM—8

DEPARTMENT OF CORRECTIONS AND REHABILITATION (5225)
CALIFORNIA INSTITUTION FOR WOMEN
HEALTH CARE FACILITY IMPROVEMENT PROJECT
SAN BERNARDINO COUNTY

Authority: Sections 15819.40 (b) and (c) and 15819.401-15819.404 of the Government Code

Consider establishing scope, cost, and schedule

CONSENT ITEMS

STAFF ANALYSIS ITEM—8

Department of Corrections and Rehabilitation
California Institution for Women
Health Care Facility Improvement Project
San Bernardino County

Action Requested

If approved, the requested action would establish the project scope, cost, and schedule.

Scope Description

The Health Care Facility Improvement Program project at the California Institution for Women (CIW) will support CIW's operation as an Intermediate institution as part of the California Department of Corrections and Rehabilitation Health Care Facility Improvement Program strategy to address statewide prison health care system deficiencies. The purpose of the health care facility improvements at CIW is to remedy deficiencies in medication distribution, primary care, specialty care, pharmacy, and disabled accessibility.

CIW is one of 11 institutions designated as an Intermediate institution based on the institution's ability to recruit clinicians and its access to medical specialists and related services. Intermediate institutions will have the capability of providing tertiary care consultation and specialized medical services including those which utilize advanced technologies such as neurosurgery and cardiology for inmates with chronic and/or terminal illnesses.

This project includes the design and construction of a new primary care clinic at the former reception center facility, a central health services building addition, an addition to and renovation of the existing general population primary care clinic, renovations to the Support Care Unit primary care clinic, and accessibility improvements to housing units and path-of-travel. The new primary care clinic will provide for centralized primary health care for the former reception center housing unit at an Intermediate level of care. The central health services building addition will provide appropriate specialty clinic space and inmate-patient waiting. The general population primary care clinic addition and renovations and the Support Care Unit primary care clinic renovations will provide adequate treatment and support space, and pharmacy services for inmates in these existing housing units. The disabled accessibility improvements to the housing units and paths-of-travel will allow CIW to be designated as a Disability Placement Program institution. Currently there are no female intermediate institutions with a Disability Placement Program in the prison system.

Funding and Cost Verification

This action would allocate \$17,990,000 of the \$900,419,000 lease revenue bond financing authority appropriated for medical, dental, and mental health facilities in section 15819.403 (a) of the Government Code to complete design and construction for this project.

\$17,990,000 total estimated project costs

\$17,990,000 project costs to be allocated: \$1,022,000 preliminary plans, \$1,036,000 working drawings, \$15,932,000 construction (\$11,221,000 contract, \$673,000 contingency, \$808,000 A&E, \$1,143,000 other project costs, and \$2,087,000 agency retained items)

CEQA

The appropriate CEQA documentation for this project will be completed prior to seeking approval of preliminary plans.

Real Estate Due Diligence

Real estate due diligence review for this project will be complete prior to seeking approval of preliminary plans.

Project Schedule

| | |
|---------------------------|----------------|
| Approve preliminary plans | October 2013 |
| Complete working drawings | March 2014 |
| Start construction | July 2014 |
| Complete construction | September 2015 |

Staff Recommendation: Establish project scope, cost, and schedule.

CONSENT ITEMS

CONSENT ITEM—9

DEPARTMENT OF CORRECTIONS AND REHABILITATION (5225)
RICHARD J. DONOVAN CORRECTIONAL FACILITY
HEALTH CARE FACILITY IMPROVEMENT PROJECT
SAN DIEGO COUNTY

Authority: Sections 15819.40 (b) and (c) and 15819.401-15819.404 of the Government Code

Consider establishing scope, cost, and schedule

CONSENT ITEMS

STAFF ANALYSIS ITEM—9

Department of Corrections and Rehabilitation
Richard J. Donovan Correctional Facility
Health Care Facility Improvement Project
San Diego County

Action Requested

If approved, the requested action would establish the project scope, cost, and schedule.

Scope Description

The Health Care Facility Improvement Program project at Richard J. Donovan Correctional Facility (RJD) will support RJD's operation as an Intermediate institution as part of the California Department of Corrections and Rehabilitation Health Care Facility Improvement Program strategy to address statewide prison health care system deficiencies. The purpose of the health care facility improvements at RJD is to remedy deficiencies in medication distribution, primary care, specialty care, administrative segregation unit (ASU) health care services, pharmacy, and health care administration.

RJD is one of 11 institutions designated as an Intermediate institution based on the institution's ability to recruit clinicians and its access to medical specialists and related services. Intermediate institutions will have the capability of providing tertiary care consultation and specialized medical services including those which utilize advanced technologies such as neurosurgery and cardiology for inmates with chronic and/or terminal illnesses.

This project includes the design and construction of a new ASU primary care and ASU Enhanced Outpatient Program (EOP) mental health clinic, medication distribution room additions at the EOP housing units, a new pharmacy, a new health care administration building, primary care clinic additions and renovations at Facilities A, B, C, and D, a central health services building addition and renovations, and utility improvements. The new ASU primary care and mental health clinic will provide for centralized primary health care in a secure location for this population. The medication distribution room additions will provide appropriate pill distribution and security. The new pharmacy will accommodate pharmaceutical demands at an Intermediate level of care. The new health care administration building will move administrative staff out of the central health services building in order to focus that existing space on clinical functions. The primary care clinic additions and renovations will provide primary care treatment and consultation consistent with the delivery of an Intermediate level of care. The central health services building addition and renovations will provide on-site specialty treatment and consultation and urgent care.

Funding and Cost Verification

This action would allocate \$53,757,000 of the \$900,419,000 lease revenue bond financing authority appropriated for medical, dental, and mental health facilities in section 15819.403 (a) of the Government Code to complete design and construction for this project.

\$53,757,000 total estimated project costs

\$53,757,000 project costs to be allocated: \$2,732,000 preliminary plans, \$3,172,000 working drawings, \$47,853,000 construction (\$37,360,000 contract, \$2,242,000 contingency, \$2,765,000 A&E, \$2,495,000 other project costs, and \$2,991,000 agency retained items)

CEQA

The appropriate CEQA documentation for this project will be completed prior to seeking approval of preliminary plans.

Real Estate Due Diligence

Real estate due diligence review for this project will be complete prior to seeking approval of preliminary plans.

Project Schedule

| | |
|---------------------------|--------------|
| Approve preliminary plans | October 2013 |
| Complete working drawings | April 2014 |
| Start construction | August 2014 |
| Complete construction | March 2016 |

Staff Recommendation: Establish project scope, cost, and schedule.

CONSENT ITEMS

CONSENT ITEM—10

DEPARTMENT OF CORRECTIONS AND REHABILITATION (5225)
MULE CREEK STATE PRISON
WASTEWATER TREATMENT PLANT IMPROVEMENTS
AMADOR COUNTY

*Authority: Chapters 171 and 172, Statutes of 2007, Item 5225-301-0001 (14)
Chapters 268 and 269, Statutes of 2008, Item 5225-301-0001 (14)
Section 28 (a) of Chapter 7, Statutes of 2007
Section 7050 of the Penal Code*

Consider recognizing revised project costs

CONSENT ITEMS

STAFF ANALYSIS ITEM—10

Department of Corrections and Rehabilitation
Mule Creek State Prison
Wastewater Treatment Plant Improvements
Amador County

Action Requested

If approved, the requested action would recognize revised project costs for an increase of \$1,053,000.

Scope Description

This project is within scope. This project includes design and construction of an additional secondary clarifier, modifying the existing mixed liquor splitter box to accommodate the new secondary clarifier, a new chlorine contact basin, a disinfected secondary effluent pump station, electrical improvements, and a staff services building. These improvements will help enable Mule Creek State Prison to comply with its wastewater discharge permit requirements, provide more efficient and effective wastewater treatment plant operations, and add the capability of taking a secondary clarifier off-line to perform preventive maintenance.

Funding and Cost Verification

This project is not within cost. The Budget Acts of 2007 and 2008, respectively, provided \$932,000 for preliminary plans (\$390,000) and working drawings (\$542,000) for this project. Subsequently, on March 13, 2009, the Board approved an \$84,000 augmentation to the working drawings phase of this project. In the spring of 2009, it was determined that construction of this project should be completed using funding from the \$300 million General Fund appropriated in Section 28(a) of Chapter 7, Statutes of 2007 (AB 900). Accordingly, on May 8, 2009, the Board established the scope, cost, and schedule for this project and allocated \$6,149,000 of the AB 900 General Fund appropriation to complete construction for this project.

The working drawings for this project were approved by the State Fire Marshal (SFM) in January 2011. This project did not proceed to bid at that time because the California Department of Corrections and Rehabilitation (CDCR) had been contacted by the City of Lone regarding the potential of having MCSP's wastewater treated by a regional facility rather than by the facility located at the prison. While talks regarding a regional facility are ongoing, CDCR has determined to move forward with this project because it would not be economically efficient for CDCR to participate in any of the current regional facility alternatives, it would take an extended number of years to bring a regional facility on-line, and CDCR can benefit immediately from the wastewater treatment plant improvements included in this project. In addition, this wastewater treatment plant will support the adjacent Cal Fire training academy.

Extensive knowledge of existing underground utilities and piping are critical when designing modifications to an existing wastewater treatment plant such as proposed by this project. Because of inadequacies in the existing as-built drawings from when the existing facility was constructed 25-30 years ago, CDCR has determined that additional design services are necessary on this project before proceeding to bid. The architect/engineer of record will perform comprehensive underground investigative services to locate existing underground utilities and piping with a high degree of accuracy and precision. The results of this survey will be incorporated into the working drawings, which will be resubmitted to the SFM for a final approval. This additional design step will minimize financial exposures to change orders or contractor claims that would occur if underground obstacles were not properly reflected in the working drawings.

The prior estimate of project costs also underestimated several costs, including construction inspection and materials testing, construction management, project management, and telecommunications. A revised project cost estimate was prepared in association with reinitiating this project and identifying the need for additional design services. Based on this revised estimate, the total estimated project cost is \$8,218,000, an increase of \$1,053,000. This action will recognize these revised project costs as detailed below.

\$ 7,165,000 total authorized project cost

\$ 8,218,000 total estimated project cost

\$ 7,165,000 project costs previously allocated: \$390,000 preliminary plans, \$626,000 working drawings, \$6,149,000 construction (\$4,589,000 contract, \$321,000 contingency, \$534,000 A&E, \$568,000 other project costs, and \$137,000 agency retained items)

\$ 1,053,000 project cost increase: \$226,000 working drawings, \$827,000 construction (\$154,000 contract, \$11,000 contingency, \$145,000 A&E, \$435,000 other project costs, \$82,000 agency retained)

CEQA

A Notice of Exemption was filed with the State Clearinghouse on August 15, 2008 and the 35-day statutes of limitation expired on September 20, 2008, without challenge.

Real Estate Due Diligence

A Summary of Conditions Letter for this project was completed on February 18, 2009 and no issues that would adversely affect the quiet use and enjoyment of the project were identified.

Project Schedule

| | |
|--------------------------------|---------------|
| Approval of preliminary plans | March 2009 |
| Completion of working drawings | February 2013 |
| Start construction | May 2013 |
| Complete construction | July 2014 |

Staff Recommendation: Recognize revised project costs

CONSENT ITEMS

CONSENT ITEM—11

DEPARTMENT OF CORRECTIONS AND REHABILITATION (5225)
WOMEN'S JAIL AND HEALTH CARE/PROGRAM BUILDING
JAIL PROJECT
SAN LUIS OBISPO COUNTY

Authority: Sections 15820.90 – 15820.907 of the Government Code

Consider consenting to:

- a) a Ground Lease from the County of San Luis Obispo to the Department of Corrections and Rehabilitation (CDCR)
- b) an Easement Agreement for Grants of Access, Utilities, and Repairs from the County of San Luis Obispo to the CDCR
- c) CDCR's grant of a Right of Entry for Construction and Operation to the County of San Luis Obispo
- d) an Easement Agreement for Utility Transmission Facilities between the County of San Luis Obispo and the State of California

CONSENT ITEMS

STAFF ANALYSIS ITEM—11

Department of Corrections and Rehabilitation
Women's Jail and Health Care/Program Building
Jail Project
San Luis Obispo County

Action Requested

If approved, the requested action will provide the Board's consent to a Ground Lease; an Easement Agreement for Grants of Access, Utilities, and Repairs; a Right of Entry for Construction and Operation between the Department of Corrections and Rehabilitation (CDCR) and the County of San Luis Obispo (county); and an Easement Agreement for Utility Transmission Facilities between the county and the State of California.

Scope Description

This project is within scope. The project includes approximately 46,000 square feet (sf) to house and provide treatment and program space for approximately 198 women inmates on approximately 1.5 acres of the greater 7± acres of county owned land on which the county's existing jail facility is located. The project includes two buildings primarily constructed of steel, with interior high traffic areas utilizing concrete masonry unit (CMU) and concrete for long-term durability. It will house post-arraignment, pre-sentenced, and convicted female inmates. One building will house inmates, and a second health care/program building will provide space to provide medical, dental, and mental health services, as well as other programs, to support those inmates.

The housing building will be an approximately 38,000 sf two-story structure on vacant land adjacent to the existing jail. This building will include two housing units constructed to support direct supervision of inmates. One housing unit will have approximately 96 dormitory beds in 12 rooms. The other housing unit will house approximately 96 inmates in 48 cells. In addition, the housing building will also include six special use isolation cells for medical or disciplinary reasons and two safety cells for temporary isolation of inmates who display destructive behavior. Each housing unit will include staff control areas, dayrooms, an exercise yard, a video visitation room, an interview room, a multipurpose room to support rehabilitative and training programs, a vocational programs room, a janitor's closet, and storage space.

The health care/program building will be approximately 8,000 sf and will provide exam rooms to support medical treatment, a dental operatory, rooms to provide mental health services and confidential mental health interviews, and rooms to support rehabilitative programming. In addition, the building will include pharmacy/medication distribution space, staff office space, separate inmate and staff restrooms, janitorial closets, and storage space. The health care/program building will be built on the site of the existing women's jail facility, which will be demolished as part of the project.

The project will also include, but is not limited to, electrical; plumbing; mechanical; heating, ventilation, and air conditioning; electronic security; and fire protection systems.

Several functions necessary for the operation of the new facilities will be accommodated in the existing jail facility, including intake/booking, receiving areas and other processing areas, as well as a central kitchen that prepares food for all inmates housed in the jail. The hard exterior of each building, composed of CMU, concrete and steel, will provide the secure perimeter. In addition, there will be a six-foot chain link fence surrounding the entire facility to provide grounds security.

Ground Lease, Easement Agreement, Right of Entry, and Utility Easement

The requested action would provide the Board's consent to a ground lease from the county to CDCR (Ground Lease), which is necessary for the county to be eligible to participate in the AB 900 Local Jail Construction Financing Program. The Ground Lease will provide CDCR with the property rights necessary to facilitate financing this project through the Board lease revenue bond financing program. CDCR will pay the county a rental sum of \$10.00 per year. The term of the Ground Lease will commence on the date it is consented to by the Board and executed by a duly authorized representative of the Board and it will co-terminate with the facility lease to be executed as part of the bond transaction to finance this project. The term of the Ground Lease may be adjusted as provided for within the lease. However, the Ground Lease cannot be terminated until all bonds and other indebtedness incurred by the Board for this project, if any, have been fully repaid.

This action would also provide the Board's consent to an Easement Agreement for Grants of Access, Utilities, and Repairs (Easement Agreement) from the county to CDCR. The Easement Agreement will record the granting of an easement from the county to CDCR for ingress and egress to and from the site and a non-exclusive right over, across, and under the easement property for the installation, maintenance, and replacement of utility wires, cables, conduits and pipes, and for other purposes and uses necessary or desirable for the operation, maintenance, and repair of the project. The term of the Easement Agreement is coextensive with the term of the Ground Lease and the Easement Agreement cannot be terminated by a breach of the agreement.

In addition, the requested action would provide the Board's consent to CDCR's grant of a Right of Entry for Construction and Operation agreement (Right of Entry) to the county in order to provide the county access to the site for site analysis, jail construction-related activities, and operating activities should the facility be completed prior to the sale of the state's lease revenue bonds. The Right of Entry will commence on the effective date of the Ground Lease and terminate on the termination date of the Project Delivery and Construction Agreement.

The requested action would also provide the Board's consent to a Grant of Easement for Utility Transmission Facilities (Utility Easement) by and between the county as grantor and the State of California as grantee, dated as of June 19, 2012. The Utility Easement is a perpetual right-of-way for utility purposes together with the right of access. The Utility Easement will record on even date with the recording of the Ground Lease.

Funding and Cost Verification

This project is within cost. On April 11, 2012, the Board took an action allocating \$25,125,630 of the \$750,000,000 Public Buildings Construction Fund (lease revenue bond authority) appropriated in Government Code section 15820.903 to partially finance the construction of this project. The initial allocation of this funding to counties was administered through the Corrections Standards Authority (CSA) through a competitive public process. CSA has conditionally awarded \$25,125,630 from this appropriation to San Luis Obispo County for this project. All of the acquisition/study and design costs and any construction costs in addition to this award amount will be paid by the county.

| | |
|--------------|--|
| \$38,018,000 | total authorized project costs |
| \$38,018,000 | total estimated project costs |
| \$25,126,000 | state funds to be allocated: construction contract |
| \$12,892,000 | local funds previously allocated: \$75,000 acquisition/study, \$816,000 preliminary plans, \$797,000 working drawings, \$11,204,000 construction (\$4,951,000 contract, \$3,008,000 contingency, \$622,000 A&E, \$2,623,000 other project costs) |

CEQA

A Notice of Determination was filed with the State Clearinghouse on November 28, 2011, and the 30-day statutes of limitation expired on December 28, 2011, without challenge.

Real Estate Due Diligence

A Summary of Conditions Letter for this project was completed on April 26, 2012, and no issues that would adversely affect the quiet use and enjoyment of the project were identified.

Project Schedule

| | |
|---------------------------|---------------|
| Approve preliminary plans | May 2012 |
| Complete working drawings | August 2012 |
| Start construction | December 2012 |
| Complete construction | June 2015 |

Staff Recommendation: Provide the Board's consent to a Ground Lease; an Easement Agreement for Grants of Access, Utilities, and Repairs; CDCR's grant of a Right of Entry for Construction and Operation to the county; and an Easement Agreement for Utility Transmission Facilities between the county and the State of California.

OTHER BUSINESS

There are no Other Business items.

REPORTABLES

To be presented at the Board meeting.