



CALIFORNIA STATE
PUBLIC WORKS BOARD

ARNOLD SCHWARZENEGGER, GOVERNOR

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AGENDA WITH ANALYSIS

NOTICE OF MEETING
STATE PUBLIC WORKS BOARD
Monday, November 15, 2010

The **STATE PUBLIC WORKS BOARD** will meet on
**Monday, November 15, 2010, at 10:00 a.m. in Room
112, 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

Monday
November 15, 2010
10:00 a.m.
Room 112

State Capitol
Sacramento, California

I. Roll Call

Ana J. Matosantos Director, Department of Finance
Ronald Diedrich, Acting Director, Department of General Services
Cindy McKim, Director, Department of Transportation
John Chiang, State Controller
Bill Lockyer, State Treasurer

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Ms. Pam Harris, Director, Employment Development Department
(Advisory Member)

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Assembly Member, Mike Eng, Legislative Advisor
Assembly Member, Mary Hayashi, Legislative Advisor
Assembly Member, Sandre Swanson, Legislative Advisor
Senator, Mark J. DeSaulnier, Legislative Advisor
Senator, Denise Ducheny, Legislative Advisor
Senator, Vacant, Legislative Advisor

II. Approval of minutes from the [October 25, 2010](#) meeting

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BOND ITEMS

BOND ITEM—1

DEPARTMENT OF GENERAL SERVICES (1760)
GOLDEN STATE PORTFOLIO
ASSET SALE TRANSACTION AND RELATED BOND DEFEASANCE

CAPITOL AREA EAST END FACILITIES
SACRAMENTO COUNTY

BONDS: (Department of General Services) 2002 Series A (Capitol East End Complex – Blocks 171 – 174 & 225)

Authority: Government Code section 14670.13

Consider adopting a Resolution to:

1. Approve the form of:
 - a. A Termination of Agreement for the Transfer of Control and Possession of State Owned Real Property and Facility Lease, between the State Public Works Board and the Department of General Services;
 - b. An Escrow Agreement, between the State Public Works Board and the State Treasurer, as Escrow Agent; and
 - c. A Supplement to the Tax Certificate.
2. Upon satisfaction of all of the conditions set forth in section 6 of the Resolution:
 - a. Determine that the Sale Transaction will not breach any covenant or obligation of the Board and therefore, as issuer of the Bonds, and as required by Government Code Section 14670.13(c)(2), approve the sale of the Capitol East End Complex – Blocks 171-174 & 225;
 - b. Authorize the execution and delivery of the documents specified in item 1 above and of other documents and approve other related actions, all as necessary for the defeasance of the Bonds; and
 - c. Authorize and direct the State Treasurer to cause the defeasance of the Bonds in accordance with the provisions of the related Indenture and Escrow Agreement.

Estimated cost to defease the outstanding Bonds for the Facilities listed above: \$400,705,000

BOND ITEMS

STAFF ANALYSIS ITEM—1

2002 Series A
Capitol Area East End Complex

Action Requested

The requested action, if adopted, would approve the form of a Termination Agreement for the Transfer and Control of Possession of State Owned Real Property and Facility Lease, an Escrow Agreement, and a Supplement to the Tax Certificate; upon satisfaction of the conditions in section 6 of the Resolution, approve the sale of the financed East End facilities, authorize the execution and delivery of the above named documents plus other necessary documents to defease the outstanding Bonds, and direct the State Treasurer to cause the defeasance of the Bonds.

Background and Description of Action Requested

Government Code section 14670.13 authorizes the Department of General Services (DGS) to enter into a sale and/or long-term lease arrangement for eleven specified state-owned properties, including the Capitol Area East End facilities located on blocks 171-174 and 225 in the City of Sacramento, also known as the Capitol East End Complex. The construction of the Capitol East End Complex was financed with the Board's 2002 Series A lease revenue bonds (Bonds) which have a final maturity date of December 1, 2027. Currently, the outstanding principal owed on the bonds is approximately \$367 million. Treasurer's Office staff have calculated the cost to defease the outstanding bonds at approximately \$400 million. There are sufficient proceeds from the sale to defease all of the outstanding Bonds.

In adopting the sale/leaseback legislation, the Legislature recognized that it may be infeasible to sell certain of the listed facilities, due to outstanding bonds and the related bond covenants. Consequently, the Legislature required the issuer of the bonds to approve the sale, taking into consideration that, if sold, the sale of the facility will not breach any covenant or obligation of the issuer or trustee. Accordingly, DGS cannot sell this facility until the Board causes its outstanding Bonds to be defeased in accordance with the applicable Indenture. In order to do that, the Board must receive certain approving opinions from bond counsel and certain certifications from DGS in order to be able to conclude that none of the Bond covenants will be breached.

DGS will certify that it has fulfilled all of its obligations contained in law and, that the terms of the Purchase and Sale Agreement and all associated leases and other contractual agreements with respect to the sale of the specified state-owned facilities comply with all statutory and constitutional requirements. Further, the Director of DGS has determined that the sale transaction was conducted pursuant to a bonafide, arms-length process that was designed to maximize the sale price to be paid to the state and that the state will receive fair market value from the sale of the facilities.

On October 11, 2010, DGS sent notification to the chairs of the legislative fiscal committees of the terms and conditions of the sale transaction and its intent to award the sale of all 11 properties to California First, LLC, a private entity for \$2.3 billion.

Staff have worked closely with bond counsel to assure that the defeasance of the outstanding Bonds and sale of the Board financed East End facilities will not breach any said covenants or obligations under the Bond documents. There are no outstanding federal tax issues associated with defeasing the Bonds. Upon delivery and execution of the documents before the Board for approval and delivery of defeasance and no adverse tax effect opinions from nationally recognized bond counsel, the defeasance of the Bonds and the sale of the Capitol Area East End facilities can move forward.

Staff Recommendation: Adopt the resolution.

BOND ITEMS

BOND ITEM—2

**DEPARTMENT OF GENERAL SERVICES (1760)
GOLDEN STATE PORTFOLIO
ASSET SALE TRANSACTION AND RELATED BOND DEFEASANCE**

**CERTAIN FRANCHISE TAX BOARD FACILITIES AT BUTTERFIELD
SACRAMENTO COUNTY**

BONDS: 1998 Series A (Franchise Tax Board Central Office Project – Phase II); and (Department of General Services) 2003 Series D (Butterfield State Office Complex); and (Department of General Services) 2005 Series A (Butterfield State Office Complex)

Authority: Government Code section 14670.13

Consider adopting a Resolution to:

1. Approve the form of:
 - a. A Termination of Site Lease and Facility Lease, between the Department of General Services and the State Public Works Board;
 - b. A Termination of Agreement for the Transfer of Control and Possession of State Owned Real Property and Facility Lease, between the State Public Works Board and the Department of General Services;
 - c. An Escrow Agreement, between the State Public Works Board and the State Treasurer, as Escrow Agent, for each Series of Bonds; and
 - d. A Supplement to the Tax Certificate for each Series of Bonds.
2. Upon satisfaction of all of the conditions set forth in section 8 of the Resolution:
 - a. Determine that the Sale Transaction will not breach any covenant or obligation of the Board and therefore, as issuer of the Bonds, and as required by Government Code Section 14670.13(c)(2), approve the sale of the Franchise Tax Board Central Office Project – Phase II and the Butterfield State Office Complex ;
 - b. Authorize the execution and delivery of the documents specified in item 1 above and of other documents and approve other related actions, all as necessary for the defeasance of the Bonds; and
 - c. Authorize and direct the State Treasurer to cause the defeasance of the Bonds in accordance with the provisions of the related Indenture and Escrow Agreement.

Estimated cost to defease the outstanding Bonds for the Facilities listed above: \$263,000,000

BOND ITEMS

STAFF ANALYSIS ITEM—2

1998 Series A, 2003 Series D, 2005 Series A
Franchise Tax Board Complex

Action Requested

The requested action, if adopted, would approve the form of a Termination of the Site Lease and Facility Lease, a Termination of Agreement for the Transfer and Control of Possession of the State Owned Real Property and the Facility Lease, an Escrow Agreement for each series of bonds, and a Supplement to the Tax Certificate for each series of bonds; upon satisfaction of the conditions in section 8 of the Resolution, approve the sale of the Franchise Tax Board Complex, authorize the execution and delivery of the above named documents plus other necessary documents to defease the outstanding Bonds, and direct the State Treasurer to cause the defeasance of the Bonds.

Background and Description of Action Requested

Government Code section 14670.13 authorizes the Department of General Services (DGS) to enter into a sale or long-term lease arrangement for eleven specified state-owned properties, including the Franchise Tax Board Complex at Butterfield, in Sacramento. The construction of various buildings at the Franchise Tax Board Complex were financed with Board's 1998 Series A lease revenue refunding bonds, 2003 Series D lease revenue bonds, and 2005 Series A lease revenue bonds (Bonds). The 1998 Series A bonds have a final maturity date of September 1, 2011, the 2003 Series D bonds have a final maturity date of June 1, 2028, and the 2005 Series A bonds reach final maturity on June 1, 2030. Currently, the outstanding principal owed on the Bonds is approximately \$228.9 million. Treasurer's Office staff have calculated the cost to defease the outstanding Bonds at approximately \$270 million. There are sufficient proceeds from the sale to defease all of the outstanding Bonds.

In adopting the sale/leaseback legislation, the Legislature recognized that it may be infeasible to sell certain of the listed facilities, due to outstanding bonds and the related bond covenants. Consequently, the Legislature required the issuer of the bonds to approve the sale, taking into consideration that, if sold, the sale of the facility will not breach any covenant or obligation of the issuer or trustee. Accordingly, DGS cannot sell the Franchise Tax Board Complex until the Board causes its outstanding Bonds to be defeased in accordance with the applicable Indenture. In order to do that the Board must receive approving opinions from bond counsel and certain certifications from DGS in order to be able to conclude that none of the Bond covenants will be breached.

During the review of the Bond documents in preparation to defease the outstanding Bonds, bond counsel advised the Board that the proposed sale of this facility could constitute a change in use, which could affect the tax-exempt status of the interest on the 1998 Series A bonds unless such was remediated with the IRS. If this matter could not be successfully resolved prior to the defeasance of the Bonds, the Board would violate one or more of its Bond covenants. Consequently, at its July 12, 2010 meeting, the Board authorized staff to seek a closing agreement with the IRS under the Tax-Exempt Bonds Voluntary Closing Agreement Program (VCAP) to ensure this change in use does not cause interest on the Bonds to become taxable. The necessary paper work was submitted to the IRS on July 16, 2010 and tax counsel has been working diligently with the assigned IRS personnel.

DGS will certify that it has fulfilled all of its obligations contained in law and that the terms of the Purchase and Sale Agreement and all associated leases and other contractual agreements with respect to the sale of the Board's financed facilities for Franchise Tax Board at Butterfield comply with all statutory and constitutional requirements. Further, the Director of DGS has determined that the sale transaction was conducted pursuant to a bonafide, arms-length process that was designed to maximize the sale price to be paid to the state and that the state will receive fair market value from the sale of the facilities.

On October 11, 2010, DGS sent notification to the chairs of the legislative fiscal committees of the terms and conditions of the sale transaction and its intent to award the sale of all 11 properties to California First, LLC, a private entity for \$2.3 billion.

Staff Recommendation: Adopt the resolution.

BOND ITEMS

BOND ITEM—3

DEPARTMENT OF GENERAL SERVICES (1760)
GOLDEN STATE PORTFOLIO
ASSET SALE TRANSACTION AND RELATED BOND DEFEASANCE

FACILITY: DEPARTMENT OF JUSTICE OFFICE BUILDING
SACRAMENTO COUNTY

BONDS: 1998 Series A (Department of Justice Building); and (Department of General Services) 2005 Series I (Department of Justice Office Building)

Authority: Government Code section 14670.13

Consider adopting a Resolution to:

1. Approve the form of:
 - a. A Termination of Facility Lease, between the State Public Works Board and the Department of General Services;
 - b. An Escrow Agreement, between the State Public Works Board and the State Treasurer, as Escrow Agent, for each Series of Bonds; and
 - c. A Supplement to the Tax Certificate for each Series of Bonds.
2. Upon satisfaction of all of the conditions set forth in section 5 of the Resolution:
 - a. Determine that the Sale Transaction will not breach any covenant or obligation of the Board and therefore, as issuer of the Bonds, and as required by Government Code Section 14670.13(c)(2), approve the sale of the Department of Justice Office Building;
 - b. Authorize the execution and delivery of the documents specified in item 1 above and of other documents and approve other related actions, all as necessary for the defeasance of the Bonds; and
 - c. Authorize and direct the State Treasurer to cause the defeasance of the Bonds in accordance with the provisions of the related Indenture and Escrow Agreement.

Estimated Cost to defease the outstanding Bonds for the Facility listed above: \$40,676,000

BOND ITEMS

STAFF ANALYSIS ITEM—3

1998 Series A and 2005 Series I
Attorney General Building

Action Requested

The requested action, if adopted, would approve the form of a Termination of the Facility Lease, an Escrow Agreement for each series of bonds, and a Supplement to the Tax Certificate for each series of bonds; upon satisfaction of the conditions in section 5 of the Resolution, approve the sale of the Attorney General Building, authorize the execution and delivery of the above named documents plus other necessary documents to defease the outstanding Bonds, and direct the State Treasurer to cause the defeasance of the Bonds.

Background and Description of Action Requested

Government Code section 14670.13 authorizes the Department of General Services (DGS) to enter into a sale or long-term lease arrangement for eleven specified state-owned properties, including a portion of the Attorney General Building located at 1300 I Street in the City of Sacramento.

The acquisition of the Attorney General Building was financed with the Board's 1998 Series A refunding lease revenue bonds and 2005 Series I refunding lease revenue bonds (Bonds). The 1998 Series A refunding bonds have a final maturity date of May 1, 2015 while the 2005 Series I bonds reach final maturity on May 1, 2020. Currently, the outstanding principal owed on the Bonds is approximately \$37.2 million. Treasurer's Office staff have calculated the cost to defease the outstanding Bonds at approximately \$40 million. There are sufficient proceeds from the sale to defease all of the outstanding bonds.

These Bonds financed the acquisition of both the facility at 1300 I Street and an ancillary child care center located at 1235-1237 H Street and the underlying real property. The Legislature specifically authorized the sale of the facility at 1300 I Street and did not authorize DGS to sell the ancillary child care facilities on H Street. To address federal tax concerns related to compliance with private use of tax-exempt financed projects, this action by the Board will authorize the defeasance of all of the Bonds, even though only a portion of the financed facilities will be sold.

In adopting the sale/leaseback legislation, the Legislature recognized that it may be infeasible to sell certain of the listed financed facilities, due to outstanding bonds and the related bond covenants. Consequently, the Legislature required the issuer of the bonds to approve the sale, taking into consideration that, if sold, the sale of the financed facility will not breach any covenant or obligation of the issuer or trustee. Accordingly, DGS cannot sell this facility until the Board causes its outstanding Bonds to be defeased in accordance with the applicable Indenture. In order to do that, the Board must receive approving opinions from bond counsel and certain certifications from DGS in order to be able to conclude that none of the Bond covenants will be breached.

During the review of the Bond documents in preparation to defease the outstanding bonds, bond counsel advised the Board that the proposed sale of this facility could constitute a change in use, which could affect the tax-exempt status of the interest on the 1998 Series A bonds unless such was remediated with the IRS. If this matter could not be successfully resolved prior to the defeasance of the Bonds, the Board would violate one or more of its Bond covenants. Consequently, at its July 12, 2010 meeting, the Board authorized staff to seek a closing

agreement with the IRS under the Tax-Exempt Bonds Voluntary Closing Agreement Program (VCAP) to ensure this change in use (impermissible private use) does not cause interest on the Bonds to become taxable. The necessary paper work was submitted to the IRS on July 6, 2010, and tax counsel has been working diligently with the assigned IRS personnel.

DGS will certify that it has fulfilled all of its obligations contained in law and, that the terms of the Purchase and Sale Agreement and all associated leases and other contractual agreements with respect to the sale of the specified state-owned facilities comply with all statutory and constitutional requirements. Further, the Director of DGS has determined that the sale transaction was conducted pursuant to a bonafide, arms-length process that was designed to maximize the sale price to be paid to the state and that the state will receive fair market value from the sale of the facilities.

On October 11, 2010, DGS sent notification to the chairs of the legislative fiscal committees of the terms and conditions of the sale transaction and its intent to award the sale of all 11 properties to California First, LLC, a private entity for \$2.3 billion.

Staff Recommendation: Adopt the resolution.

BOND ITEMS

BOND ITEM—4

2010 SERIES E VARIOUS CAPITAL PROJECTS

Department of General Services (1760)

Project: **450 N Street Office Building**
Location: Sacramento County
Authority: Chapter 69, Statutes of 2006, Government Code Section 11012.5

Department of Mental Health (4440)

Project: **Patton Electrical Generator Plant Upgrade**
Location: San Bernardino County
Authority: Chapter 157, Statutes of 2003, Item 4440-301-0660 (4)

Consider adoption of a resolution to:

1. Authorize the sale of the State Public Works Board Lease Revenue Bonds, 2010 Series E, Various Capital Projects, Federally Taxable Bonds.
2. Approve the form of and authorize the execution of a One Hundred Second Supplemental Indenture to the Master Indenture, between the State Treasurer and the State Public Works Board.
3. Approve the form of and authorize the execution of Site Leases between the above listed Departments and the State Public Works Board.
4. Approve the form of and authorize the execution of Facility Leases between the State Public Works Board and the above listed Departments.
5. Approve the form of and authorize the execution of a Continuing Disclosure Agreement.
6. Approve the form of and authorize the delivery of a Preliminary Official Statement.
7. Approve and authorize the delivery of an Official Statement.
8. Approve other related actions in connection with the authorization, issuance, sale, and delivery of said revenue bonds.

Estimated Project Costs to be financed	\$83,854,000
Estimated Par Value of Bonds to be issued	\$95,000,000
“To Not Exceed” Par Amount	\$106,000,000

BOND ITEMS

STAFF ANALYSIS ITEM—4

2010 Series E
Various Departments

Action Requested

The requested action would authorize the sale of the 2010 Series E 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, site leases, facility leases, a continuing disclosure agreement, and authorizing the delivery of a preliminary official statement, and an official statement.

Scope Descriptions and Funding

The projects are within scope and cost.

Department of General Services Project

450 N Street Office Building (“450 N Street project”) is located five blocks from the State Capital at 450 N Street in downtown Sacramento, California. The facility was constructed in 1992 on a 2.50 acre project site and consolidates the operations of the California State Board of Equalization (BOE). The facility is a 24-story, class A office building, with a four-level parking structure. The office building encompasses approximately 616,730 gross square feet (gsf), provides workspace for approximately 2,500 BOE employees, and includes 711 parking spaces. The facility also contains a 2,984 square foot (sf) child care center with a 3,719 sf outdoor play area, and a 2,842 sf cafeteria. The building has thirteen elevators, including 1 freight elevator and 3 elevators in the parking structure.

In June 2006, legislation was enacted that authorized the Director of the Department of General Services to exercise an option under the state lease with CalPERS to purchase the building and the parking structure from CalPERS and in September 2006 the Board authorized actions to be taken to provide for interim financing to finance the costs of exercising the purchase option. In January 2007, the state’s Pooled Money Investment Board approved an interim loan of approximately \$81 million to the Board and the Department of General Services to pay for the costs of exercising the option.

The total acquisition project cost is estimated to be \$81,000,000, which is expected to be financed from the 2010E Bonds.

Department of Mental Health Project

The Patton Generator Plant Upgrade (the “Patton Project”) at Patton State Hospital consists of upgrading and modernizing the existing electrical distribution plant for Patton State Hospital. The existing building is a 2,700 sf reinforced concrete masonry building with steel flange beams and a corrugated steel roof deck. A 2,200 gsf addition was constructed next to the existing

electrical generator building to house new equipment. The addition is constructed of reinforced concrete masonry with painted plaster, steel roof structure, and built-up roofing over steel metal decking. The new and refurbished equipment will provide two independent systems to provide power to the hospital campus. One system will receive its power only from the commercial electrical utility. The second system will receive its power only from the existing bank of emergency generators. Equipment in the project includes new emergency medium voltage distribution switchgear, circuit breakers, automatic transfer switches and replacement of the existing circuit breakers and protective relays.

The total project cost is approximately \$2,854,000, which is expected to be financed from the 2010E Bonds.

Staff Recommendation: Adopt the resolution.

BOND ITEMS

BOND ITEM—5

DEPARTMENT OF MENTAL HEALTH

2010 SERIES F

RENOVATION OF HOSPITAL ADDITION AT ATASCADERO STATE HOSPITAL

Department of Mental Health (4440)

Project: Renovation of the Hospital Addition

Location: Atascadero State Hospital, Atascadero

Authority: Chapters 171 and 172, Statutes of 2007, Line Item 4400-301-0660(2)

Consider adoption of a resolution to:

1. Authorize the sale of the State Public Works Board Lease Revenue Bonds, Department of Mental Health, 2010 Series F, Renovation of Hospital Addition at Atascadero State Hospital, Federally Taxable Bonds.
2. Approve the form of and authorize the execution of a One Hundred Third Supplemental Indenture to the Master Indenture, between the State Treasurer and the State Public Works Board. This Supplemental Indenture, among other things, will designate the 2010F Bonds to be a Related Series of Bonds that will be secured on a parity basis with the Board's 2001A Bonds.
3. Approve the form of and authorize the execution of a First Amendment to the Facility Lease between the State Public Works Board and the Department of Mental Health.
4. Approve the form of and authorize the execution of a Continuing Disclosure Agreement.
5. Approve the form of and authorize the delivery of a Preliminary Official Statement.
6. Approve and authorize the delivery of an Official Statement.
7. Approve other related actions in connection with the authorization, issuance, sale, and delivery of said revenue bonds.

Estimated Project Costs to be Financed	\$6,598,000
Estimated Par Value of Bonds to be Issued	\$6,880,000
"To Not Exceed" Par Amount	\$8,000,000

BOND ITEMS

STAFF ANALYSIS ITEM—5

Department of Mental Health

2010 Series F

Renovation of Hospital Addition at Atascadero State Hospital

Action Requested

The requested action would authorize the sale of the 2010 Series F 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 facility lease, a continuing disclosure agreement, and authorizing the delivery of a preliminary official statement, and an official statement.

Scope Description and Funding

This project is within scope and cost.

The *Renovation of the Hospital Addition Project*, the “Atascadero Project,” at the Atascadero State Hospital consists of the additional improvements to prevent water intrusion to the housing units included in the 2001A Project, which included remediation of mold detected in the inner shell of the housing units.

The Atascadero Project was started in December 2007 and completed in March 2009. The total costs for the Atascadero Project are approximately \$6,598,000, all of which is expected to be financed with proceeds from the 2010F Bonds.

Staff Recommendation: Adopt the resolution.

BOND ITEMS

BOND ITEM—6

2010 SERIES G VARIOUS CAPITAL PROJECTS

Judicial Council (0252)

Project: **San Andreas Courthouse**
Location: Calaveras County
Authority: Chapter 712, Statutes of 2010, Item 0250-301-0660(1)

Project: **Hollister Courthouse**
Location: San Benito County
Authority: Chapter 712, Statutes of 2010, Item 0250-301-0660(4)

Department of Developmental Services (4300)

Project: **Porterville Main Kitchen**
Location: Porterville Developmental Center, Tulare County
Authority: Chapters 47 and 48, Statutes of 2006, Item 4300-301-0660(1), as partially reappropriated by the Budget Act of 2010;
Chapters 268 and 269, Statutes of 2008, Item 4300-301-0660(1), as partially reappropriated by the Budget Act of 2010

Department of Corrections and Rehabilitation (5225)

Project: **Mental Health Crisis Bed Facility**
Location: California Men's Colony, San Luis Obispo County
Authority: Government Code Sections 15819.40(c) & (d) and 15819.401-15819.404

Consider adoption of a resolution to:

1. Authorize the sale of the State Public Works Board Lease Revenue Bonds, 2010 Series G, Various Capital Projects, Tax-Exempt Bonds.
2. Approve the form of and authorize the execution of a One Hundred Fourth Supplemental Indenture to the Master Indenture, between the State Treasurer and the State Public Works Board.
3. Approve the form of and authorize the execution of Site Leases between the above listed Departments and the State Public Works Board.
4. Approve the form of and authorize the execution of Facility Leases between the State Public Works Board and the above listed Departments.
5. Approve the form of and authorize the execution of a Continuing Disclosure Agreement.
6. Approve the form of and authorize the delivery of a Preliminary Official Statement.
7. Approve and authorize the delivery of an Official Statement.
8. Approve other related actions in connection with the authorization, issuance, sale, and delivery of said revenue bonds.

Estimated Project Costs to be Financed	\$143,754,000
Estimated Par Value of Bonds to be Issued	\$187,580,000
"To Not Exceed" Par Amount	\$224,000,000

BOND ITEMS

STAFF ANALYSIS ITEM—6

2010 Series G
Various Capital Projects

Action Requested

The requested action would authorize the sale of the 2010 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 and delivery of a supplemental indenture, site leases, facility leases, a continuing disclosure agreement, and authorizing the delivery of a preliminary official statement, and an official statement.

Scope Descriptions and Funding

The projects are within scope and cost.

Judicial Council Projects

San Andreas Courthouse Project (the “San Andreas Project”) consists of construction of a new courthouse for the Superior Court of California, County of Calaveras. The San Andreas Project will include the construction of a new two story, 4 courtroom, 44,600 square foot facility, with a partial basement and parking lots, and will be located on approximately 6.9 acres of state owned land. The structural system includes a poured in place concrete basement and retaining system, and a steel lateral moment frame for the upper stories. The building aesthetic is modern, designed to fit into the pastoral setting of the partially wooded site adjacent to the Calaveras County Government Center. The use of limestone panels gives the building the stately, enduring quality fitting of a courthouse, and the use of engineered wood paneling gives reference to the natural environment and cultural heritage of Calaveras County. The building is designed to receive LEED Silver Certification by the US Green Building Council at the completion of construction.

In preparation for this bond sale, staff realized the Grant Deed for the site on which the San Andreas Project is to be constructed contained a right of reversion in favor of the Grantor (County of Calaveras) that was inconsistent with the property purchase agreement. In consultation with bond counsel, a quit claim deed eliminating the reversionary right was prepared and executed by the Grantor and the Board will accept the real property interest conveyed in the quit claim deed upon adoption of the Resolution.

The San Andreas Project is estimated to go out to bid in January 2011. Construction of the San Andreas Project is expected to commence in April 2011, is expected to last 19 months, and occupancy is expected in October 2012. The total project cost is estimated to be \$45,364,000, of which approximately \$40,429,000 is expected to be financed from the 2010G Bonds.

Hollister Courthouse Project (the “Hollister Project”) consists of construction of a new courthouse for the Superior Court of California, County of San Benito. The Hollister Project will include the construction of a two story, 3 courtroom, 41,500 square foot facility with parking lots and will be located in the city of Hollister on approximately 3.1 acres of state-owned land. The building will sit on a seismically reinforced concrete slab footing. The structure is steel framing enclosed with metal panels, curtain walls and rain screen. Steel columns and beams support floor and roof constructed of metal decking filled with concrete. Columns at the front of the building are reminiscent of early historic courthouses. At the roof level there is a glass canopy that provides shading for the south

building elevation. The building is designed to be sustainable with a goal of achieving a LEED Silver rating from the United States Green Building Council.

The Hollister Project is estimated to go out to bid in November 2010. Construction of the Hollister Project is expected to commence in February 2011, is expected to last 19 months, and occupancy is expected in August 2012. The total project cost is estimated to be \$37,378,000, of which approximately \$33,508,000 is expected to be financed from the 2010G Bonds.

Department of Developmental Services Project

Porterville Main Kitchen Project (the "Main Kitchen Project") will construct a single story, steel framed 29,100 square foot kitchen on approximately 5 acres. The building will incorporate solar tracking skylights and a courtyard landscaped with native vegetation between the kitchen and administrative wings. Exterior architectural features include stucco wall panels with a natural stone base, a standing seam metal roof on the administrative wing, and a decorative wood trellis over the main entry. The Main Kitchen Project includes a new access road and parking lot, a storm water retention pond, and a remote pre-engineered metal storage building of approximately 1,000 square feet to replace the existing storage building that will be demolished.

Design of the Main Kitchen Project is complete and went to bid in October 2010. Construction is expected to commence in March 2011, is expected to last 24 months, and occupancy is expected in April 2013. The total Main Kitchen Project cost is approximately \$28,031,000, all of which is expected to be financed with proceeds from the 2010G Bonds.

Department of Corrections and Rehabilitation Project

California Men's Colony, San Luis Obispo Mental Health Crisis Bed Facility (MHCB) Project (the "CMC Project") is to design and construct a new 50 MHCB facility for inmate-patients in mental health crisis. The new building will be approximately 46,000 square feet and will accommodate housing, administration, treatment, and custody services required to support 50 inmate-patients. The foundation will be slab-on-grade and the exterior construction will be concrete masonry unit (CMU) and poured-in-place concrete. Interior walls will also be CMU and concrete construction. There will be eight small management yards and two group yards on the exterior of the building. The project will be pursuing LEED Silver Certification for New Construction.

The new building will be located at the existing southeast parking lot thus requiring construction of new parking lots. Additional parking spaces will be required to accommodate staff in the new MHCB facility. Two parking lots will be provided. There will be approximately 544 new parking spaces constructed which consist of 170 for new staff and 374 for replacement because of construction of the new building.

Design of the CMC Project is complete and it went to bid in October 2010. Construction is expected to commence in January 2011, is expected to last 20 months, and occupancy is expected in September 2012. In order to treat the intended inmate population, various state approvals related to licensure are required. The total CMC Project cost is estimated to be \$41,786,000 and is expected to be financed with proceeds from the 2010G Bonds.

Staff Recommendation: Adopt the resolution.

BOND ITEMS

BOND ITEM—7

**CALIFORNIA STATE UNIVERSITY
2010 SERIES H
VARIOUS CALIFORNIA STATE UNIVERSITY PROJECTS**

Project: **Storm/Nasatir Halls Renovation**
Campus: San Diego
Authority: Chapter 712, Statutes of 2010, Item 6610-301-0660 (1)

Project: **Science I Renovation (Seismic)**
Campus: Stanislaus
Authority: Chapters 712, Statutes of 2010, Item 6610-301-0660 (2)

Consider adoption of a resolution to:

1. Authorize the sale of the State Public Works Board Lease Revenue Bonds, Trustees of the California State University, 2010 Series H, Various California State University Projects, Tax-Exempt Bonds.
2. Approve the form of and authorize the execution of a One Hundred Fifth Supplemental Indenture to the Master Indenture, between the State Treasurer and the State Public Works Board.
3. Approve the form of and authorize the execution of Site Leases between the Trustees of the California State University and the State Public Works Board.
4. Approve the form of and authorize the execution of Facility Leases between the State Public Works Board and the Trustees of the California State University.
5. Approve the form of and authorize the execution of a Continuing Disclosure Agreement.
6. Approve the form of and authorize the delivery of a Preliminary Official Statement.
7. Approve and authorize the delivery of an Official Statement.
8. Approve other related actions in connection with the authorization, issuance, sale, and delivery of said revenue bonds.

Estimated Project Costs to be Financed	\$75,953,000
Estimated Par Value of Bonds to be Issued	\$93,170,000
“To Not Exceed” Par Amount	\$113,100,000

BOND ITEMS

STAFF ANALYSIS ITEM—7

California State University (6610)
2010 Series H Various California State University Projects

Action Requested

The requested action would authorize the sale of the 2010 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, site leases, facility leases, a continuing disclosure agreement, and authorizing the delivery of a preliminary official statement, and an official statement.

Scope Descriptions and Funding

The projects are within scope and cost.

Storm Nasatir Halls Renovation Project (the “Storm and Nasatir Halls Project”) will renovate the Storm and Nasatir Halls building. Constructed in 1957, each building is approximately 71,000 square feet in three-stories of reinforced concrete with central corridors serving as shear walls. The Storm and Nasatir Halls Project will replace outdated building systems (including the HVAC, lighting and ceilings, upgrade telephone and data, fire alarm, security, and correct the electrical system) and abate asbestos and lead paint within the building complex. Architecturally, it will replace single paned steel sash windows with double paned aluminum windows and additional insulation. New vertical circulation systems consisting of stair towers and elevators will be constructed to service the buildings. In addition, ADA path of travel access will require exterior ramping to access the southern entrances to the building complex. The roof will be replaced and all building mechanical and electrical equipment will be moved internally to the new addition. This addition will be a steel frame structure attached to Storm Hall and would accommodate one new large lecture classroom with raked seating, a lobby and space for electrical and mechanical equipment.

The total project cost is estimated to be \$59,721,000, of which approximately \$57,169,000 is expected to be financed from the 2010H Bonds. The design phase of this project of \$2,552,000 was funded through California general obligation bonds. The Storm and Nasatir Halls Project will go to bid in November 2010. Construction of the Storm and Nasatir Halls Project is expected to commence in January 2011, is expected to last 28 months, and occupancy is expected in May 2013.

Science 1 Renovation Project (the “Science 1 Renovation Project”) will seismically renovate the approximately 51,000 square feet two-story concrete structure. The seismic improvements will be performed on the foundation, shear walls, roof diaphragm and wall panel connections to bring them to current code requirements. Additionally, the project will replace HVAC equipment and other building systems to improve efficiency and lower operating costs. Code compliant vertical circulation and ADA path of travel access will also be provided.

The total Science 1 Renovation Project cost is estimated to be \$19,833,000, of which approximately \$18,784,000 is expected to be financed from the 2010H Bonds. The design phase of this project of \$1,049,000 was funded through California general obligation bonds. The Science I Renovation Project went to bid in August 2010. Construction of the project is expected to commence in January 2011, is expected to last 26 months, and occupancy is expected in March 2013.

Staff Recommendation: Adopt the resolution.

CONSENT ITEMS

CONSENT ITEM—1

JUDICIAL COUNCIL OF CALIFORNIA (0250)
ADMINISTRATIVE OFFICE OF THE COURTS
NEW EL CENTRO FAMILY COURTHOUSE
IMPERIAL COUNTY

*Authority: Chapter 1, Statutes of 2009, Third Extraordinary Session, Item 0250-301-3138(2)
as amended by Chapter 1, Statutes of 2009, Fourth Extraordinary Session
Sections 70371.5 and 70371.7 of the Government Code*

Consider authorizing funding for preliminary plans

CONSENT ITEMS

STAFF ANALYSIS ITEM—1

Judicial Council of California
Administrative Office of the Courts
New El Centro Family Courthouse
Imperial County

Action Requested

If approved, the requested action would authorize funding for preliminary plans.

Scope Description

This project is within scope. This requested action would authorize preliminary plans for the construction of a new 4-courtroom, 54,000 square foot facility in El Centro and will consolidate two existing courthouses. This new facility will provide a modern, secure courthouse for all family and juvenile law case types and create operational efficiencies by consolidating family, juvenile and child support functions in one facility. Parking for the facility will be in a surface parking lot having 120 stalls and 5 secure underground spaces for judicial officers.

Chapter 10, Statutes of 2009 (SB 1407), added sections 70371.5 and 70371.7 of the Government Code which allow the Judicial Council, Administrative Office of the Courts (AOC) to submit projects to the Board to establish the project scope, cost, and schedule after review by the Legislature. These are known as SB 1407 projects. In addition to allowing the AOC to come before the Board to authorize a new project, the legislation also authorized the acquisition and preliminary plan phases and allowed for continuous appropriation of these phases. Prior to enactment of this legislation in February 2009, 12 of the 41 SB 1407 projects were already proposed in the 2009-10 Governor's Budget and subsequently were approved in the 2009 Budget Act for the acquisition phase. In order to keep with legislative intent to authorize both the acquisition and preliminary plan phases when the project was established through the Board, a 20-day letter request would be submitted for the 12 SB 1407 projects to the Joint Legislative Budget Committee (JLBC) to authorize the preliminary plan phase at the appropriate time. This course of action was agreed to based on discussions with the JLBC staff in March of 2009.

On October 8, 2010, a 20-day letter was sent to the JLBC recommending approval of the authorization of the preliminary plan phase. The 20-day waiting period has expired without adverse comment.

Funding and Cost Verification

This project is within cost. Chapter 1, Statutes of 2009, Third Extraordinary Session, Item 0250-301-3138(2) as amended by, Chapter 1, Statutes of 2009, Fourth Extraordinary Session, authorized \$2,683,000 for the acquisition phase. Total estimated preliminary plan costs are \$2,717,000. Sections 70371.5 and 70371.7 of the Government Code authorize the continuous appropriation of acquisition and preliminary plan funds. Release of preliminary plan funding is subject to the Board's review and approval.

\$58,746,000	total authorized project cost
\$58,746,000	total estimated project cost
\$ 1,049,000	project costs previously allocated: acquisition
\$57,697,000	project costs to be allocated: \$1,634,000 acquisition, \$2,717,000 preliminary plans, \$3,496,000 working drawings, and \$49,850,000 construction (\$43,955,000 contract, \$2,198,000 contingency, \$892,000 A&E, and \$2,805,000 other project costs)

CEQA

Appropriate CEQA documentation will be completed for this project during the acquisition phase.

Real Estate Due Diligence

Real estate due diligence review and a Summary of Conditions Letter will be completed for this project during the acquisition phase.

Project Schedule

Estimated close of escrow	July 2011
Approve preliminary plans	February 2012
Complete working drawings	October 2012
Complete construction	July 2014

Other

- Chapter 311, Statutes of 2008, authorized an increase in certain court fees, penalties, and assessments for the purpose of improving courthouses in California. In October 2008 the Judicial Council adopted a list of 41 Immediate and Critical Need priority group projects to be funded by these revenues. This project is on this list and therefore is one of the highest priority projects for the judicial branch.

Staff Recommendation: Authorize preliminary plan funding.

CONSENT ITEMS

CONSENT ITEM—2

JUDICIAL COUNCIL OF CALIFORNIA (0250)
ADMINISTRATIVE OFFICE OF THE COURTS
NEW SOUTHEAST LOS ANGELES COURTHOUSE
LOS ANGELES COUNTY

*Authority: Chapter 1, Statutes of 2009, Third Extraordinary Session, Item 0250-301-3138(4)
as amended by Chapter 1, Statutes of 2009, Fourth Extraordinary Session
Sections 70371.5 and 70371.7 of the Government Code*

Consider authorizing funding for preliminary plans

CONSENT ITEMS

STAFF ANALYSIS ITEM—2

Judicial Council of California
Administrative Office of the Courts
New Southeast Los Angeles Courthouse
Los Angeles County

Action Requested

If approved, the requested action would authorize funding for preliminary plans.

Scope Description

This project is within scope. This requested action would authorize preliminary plans for the construction of a new 9-courtroom, 100,000 square foot facility that will replace the Huntington Park Courthouse and will return the lost operations of the former South Gate Courthouse to these communities. By siting this courthouse in the Huntington Park-South Gate area, residents of these and other surrounding communities will receive needed criminal court services and be able to access all court services in their local area. This project returns long-awaited access to justice for the residents of the Southeast Court District of southeast Los Angeles County. The new facility will provide a modern, secure courthouse and expand court services through increased judicial-proceedings capacity, allowing this facility to operate as a full service courthouse for all adult operations. Parking for the facility will be on site parking for 315 surface parking spaces and 11 secure underground parking spaces.

Chapter 10, Statutes of 2009 (SB 1407), added sections 70371.5 and 70371.7 of the Government Code which allow the Judicial Council, Administrative Office of the Courts (AOC) to submit projects to the Board to establish the project scope, cost, and schedule after review by the Legislature. These are known as SB 1407 projects. In addition to allowing the AOC to come before the Board to authorize a new project, the legislation also authorized the acquisition and preliminary plan phases and allowed for continuous appropriation of these phases. Prior to enactment of this legislation in February 2009, 12 of the 41 SB 1407 projects were already proposed in the 2009-10 Governor's Budget and subsequently were approved in the 2009 Budget Act for the acquisition phase. In order to keep with legislative intent to authorize both the acquisition and preliminary plan phases when the project was established through the Board, a 20-day letter request would be submitted for the 12 SB 1407 projects to the Joint Legislative Budget Committee (JLBC) to authorize the preliminary plan phase at the appropriate time. This course of action was agreed to based on discussions with the JLBC staff in March of 2009.

On October 8, 2010, a 20-day letter was sent to the JLBC recommending approval of the authorization of the preliminary plan phase. The 20-day waiting period has expired without adverse comment.

Funding and Cost Verification

This project is within cost. Chapter 1, Statutes of 2009, Third Extraordinary Session, Item 0250-301-3138(4) as amended by, Chapter 1, Statutes of 2009, Fourth Extraordinary Session, authorized \$22,726,000 for the acquisition phase. Total estimated preliminary plan costs are \$4,668,000. Sections 70371.5 and 70371.7 of the Government Code authorize the continuous appropriation of acquisition and preliminary plan funds. Release of preliminary plan funding is subject to the Board review and approval.

\$130,129,000	total authorized project cost
\$130,129,000	total estimated project cost
\$ 1,187,000	project costs previously allocated: acquisition
\$128,942,000	project costs to be allocated: \$21,539,000 acquisition, \$4,668,000 preliminary plans, \$5,291,000 working drawings, and \$97,444,000 construction (\$87,977,000 contract, \$4,399,000 contingency, \$1,371,000 A&E, and \$3,697,000 other project costs)

CEQA

Appropriate CEQA documentation will be completed for this project during the acquisition phase.

Real Estate Due Diligence

Real estate due diligence review and a Summary of Conditions Letter will be completed for this project during the acquisition phase.

Project Schedule

Approve preliminary plans	May 2012
Complete working drawings	March 2013
Complete construction	January 2015

Other

- Chapter 311, Statutes of 2008, authorized an increase in certain court fees, penalties, and assessments for the purpose of improving courthouses in California. In October 2008 the Judicial Council adopted a list of 41 Immediate and Critical Need priority group projects to be funded by these revenues. This project is on this list and therefore is one of the highest priority projects for the judicial branch.

Staff Recommendation: Authorize preliminary plan funding.

CONSENT ITEMS

CONSENT ITEM—3

JUDICIAL COUNCIL OF CALIFORNIA (0250)
ADMINISTRATIVE OFFICE OF THE COURTS
NEW REDDING COURTHOUSE
SHASTA COUNTY

*Authority: Chapter 1, Statutes of 2009, Third Extraordinary Session, Item 0250-301-3138(8)
as amended by, Chapter 1, Statutes of 2009, Fourth Extraordinary Session
Sections 70371.5 and 70371.7 of the Government Code*

Consider authorizing funding for preliminary plans

CONSENT ITEMS

STAFF ANALYSIS ITEM—3

Judicial Council of California
Administrative Office of the Courts
New Redding Courthouse
Shasta County

Action Requested

If approved, the requested action would authorize funding for preliminary plans.

Scope Description

This project is within scope. This requested action would authorize preliminary plans for the construction of a new 14-courtroom, 173,400 square foot facility in Redding. This new facility will provide a modern, secure courthouse for all case types and expand court services by providing space for one new judgeship. Parking for the facility will be surface parking having 420 spaces and 20 secure spaces in the basement.

Chapter 10, Statutes of 2009 (SB 1407), added sections 70371.5 and 70371.7 of the Government Code which allow the Judicial Council, Administrative Office of the Courts (AOC) to submit projects to the Board to establish the project scope, cost, and schedule after review by the Legislature. These are known as SB 1407 projects. In addition to allowing the AOC to come before the Board to authorize a new project, the legislation also authorized the acquisition and preliminary plan phases and allowed for continuous appropriation of these phases. Prior to enactment of this legislation in February 2009, 12 of the 41 SB 1407 projects were already proposed in the 2009-10 Governor's Budget and subsequently were approved in the 2009 Budget Act for the acquisition phase. In order to keep with legislative intent to authorize both the acquisition and preliminary plan phases when the project was established through the Board, a 20-day letter request would be submitted for the 12 SB 1407 projects to the Joint Legislative Budget Committee (JLBC) to authorize the preliminary plan phase at the appropriate time. This course of action was agreed to based on discussions with the JLBC staff in March 2009.

On October 8, 2010, a 20-day letter was sent to the JLBC recommending approval of the authorization of the preliminary plan phase. The 20-day waiting period has expired without adverse comment.

Funding and Cost Verification

This project is within cost. Chapter 1, Statutes of 2009, Third Extraordinary Session, Item 0250-301-3138(8) as amended by, Chapter 1, Statutes of 2009, Fourth Extraordinary Session, authorized \$6,996,000 for the acquisition phase. Total estimated preliminary plan costs are \$6,394,000. Sections 70371.5 and 70371.7 of the Government Code authorize the continuous appropriation of acquisition and preliminary plan funds. Release of preliminary plan funding is subject to the Board review and approval.

\$167,542,000	total authorized project cost
\$167,542,000	total estimated project cost
\$ 2,422,000	project costs previously allocated: acquisition
\$165,120,000	project costs to be allocated: \$4,574,000 acquisition, \$6,394,000 preliminary plans, \$9,055,000 working drawings, and \$145,097,000 construction (\$128,864,000 contract, \$6,443,000 contingency, \$2,352,000 A&E, and \$7,438,000 other project costs)

CEQA

Appropriate CEQA documentation will be completed for this project during the acquisition phase.

Real Estate Due Diligence

Real estate due diligence review and a Summary of Conditions Letter will be completed for this project during the acquisition phase.

Project Schedule

Estimated close of escrow	June 2011
Approve preliminary plans	June 2012
Complete working drawings	March 2013
Complete construction	June 2015

Other

- Chapter 311, Statutes of 2008, authorized an increase in certain court fees, penalties, and assessments for the purpose of improving courthouses in California. In October 2008 the Judicial Council adopted a list of 41 Immediate and Critical Need priority group projects to be funded by these revenues. This project is on this list and therefore is one of the highest priority projects for the judicial branch.

Staff Recommendation: Authorize preliminary plan funding.

CONSENT ITEMS

CONSENT ITEM—4

JUDICIAL COUNCIL OF CALIFORNIA (0250)
ADMINISTRATIVE OFFICE OF THE COURTS
NEW RED BLUFF COURTHOUSE
TEHAMA COUNTY

*Authority: Chapter 1, Statutes of 2009, Third Extraordinary Session, Item 0250-301-3138(11)
as amended by Chapter 1, Statutes of 2009, Fourth Extraordinary Session
Sections 70371.5 and 70371.7 of the Government Code*

Consider:

- (a) authorizing funding for preliminary plans
- (b) recognizing a reduction in acquisition costs \$8,500,000

CONSENT ITEMS

STAFF ANALYSIS ITEM—4

Judicial Council of California
Administrative Office of the Courts
New Red Bluff Courthouse
Tehama County

Action Requested

If approved, the requested action would authorize funding for preliminary plans and recognize a reduction in acquisition costs.

Scope Description

This project is within scope. This requested action would authorize preliminary plans for the construction of a new 5-courtroom, 62,000 square foot facility in Red Bluff and will consolidate four existing facilities. This new facility will provide a modern, secure courthouse for all case types. Parking for the facility will include 175 surface parking spaces and 8 secure underground parking spaces.

Chapter 10, Statutes of 2009 (SB 1407), added sections 70371.5 and 70371.7 of the Government Code which allow the Judicial Council, Administrative Office of the Courts (AOC) to submit projects to the Board to establish the project scope, cost, and schedule after review by the Legislature. These are known as SB 1407 projects. In addition to allowing the AOC to come before the Board to authorize a new project, the legislation also authorized the acquisition and preliminary plan phases and allowed for continuous appropriation of these phases. Prior to enactment of this legislation in February 2009, 12 of the 41 SB 1407 projects were already proposed in the 2009-10 Governor's Budget and subsequently were approved in the 2009 Budget Act for the acquisition phase. In order to keep with legislative intent to authorize both the acquisition and preliminary plan phases when the project was established through the Board, a 20-day letter request would be submitted for the 12 SB 1407 projects to the Joint Legislative Budget Committee (JLBC) to authorize the preliminary plan phase at the appropriate time. This course of action was agreed to based on discussions with the JLBC staff in March of 2009.

On October 8, 2010, a 20-day letter was sent to the JLBC recommending approval of the authorization of funding for preliminary plans and recognizing a reduction in acquisition costs. The 20-day waiting period has expired without adverse comment.

Funding and Cost Verification

This project is within cost. Chapter 1, Statutes of 2009, Third Extraordinary Session, Item 0250-301-3138(11) as amended by, Chapter 1, Statutes of 2009, Fourth Extraordinary Session, authorized \$16,289,000 for the acquisition phase. The Judicial Council requests a reduction of \$8,498,000 to the acquisition phase budget due to a reduction in the estimated purchase price of the site approved for the project. Total estimated preliminary plan costs are \$3,106,000. Sections 70371.5 and 70371.7 of the Government Code authorize the continuous appropriation of acquisition and preliminary plan funds. Release of preliminary plan funding is subject to the Board review and approval.

\$79,977,000	total authorized project cost
\$71,479,000	total estimated project cost
\$ 681,000	project costs previously allocated: acquisition
\$70,798,000	project costs to be allocated: \$7,110,000 acquisition, \$3,106,000 preliminary plans, \$3,982,000 working drawings, and \$56,600,000 construction (\$49,879,000 contract, \$2,494,000 contingency, \$1,019,000 A&E, and \$3,208,000 other project costs)
\$ 8,498,000	recognized acquisition savings

CEQA

Appropriate CEQA documentation will be completed for this project during the acquisition phase.

Real Estate Due Diligence

Real estate due diligence review and a Summary of Conditions Letter will be completed for this project during the acquisition phase.

Project Schedule

Estimated close of escrow	February 2011
Approve preliminary plans	September 2011
Complete working drawings	July 2012
Complete construction	May 2014

Other

- Chapter 311, Statutes of 2008, authorized an increase in certain court fees, penalties, and assessments for the purpose of improving courthouses in California. In October 2008 the Judicial Council adopted a list of 41 Immediate and Critical Need priority group projects to be funded by these revenues. This project is on this list and therefore is one of the highest priority projects for the judicial branch.

Staff Recommendation: Authorize preliminary plan funding and recognize the reduction in acquisition costs.

CONSENT ITEMS

CONSENT ITEM—5

DEPARTMENT OF GENERAL SERVICES (1760)
DEPARTMENT OF PARKS AND RECREATION (3790)
PORTOLA REDWOODS STATE PARK, ISLAND FOREST SITE
SAN MATEO COUNTY
DPR Parcel Number 016089, DGS Parcel Number 10659

Authority: Chapter 117, Statutes of 2009, Item 3790-801-0262(1)

Consider authorizing acquisition

CONSENT ITEMS

STAFF ANALYSIS ITEM—5

Department of General Services
Department of Parks and Recreation
Portola Redwoods State Park, Island Forest Site
San Mateo County

Action Requested

If approved, the requested action would authorize acquisition.

Scope Description

This project is within scope. The requested action would authorize acquisition of approximately 160 unimproved acres as an addition to Portola Redwoods State Park, in San Mateo County. The proposed acquisition would further Department of Parks and Recreation's (Parks) missions of linkages with wildlife migration corridors, public recreation, potential for connections with existing hiking trails, watershed protection, and buffering existing forests.

Funding and Cost Verification

This project is within cost. Chapter 117 of the Budget Act of 1990 provides \$1,000,000 annually to the Parks for the acquisition of habitat conservation lands. The property can be acquired in accordance with Legislative intent.

\$960,000	total authorized project costs
\$950,000	total estimated project costs
\$ 10,000	project costs previously allocated (title, escrow, and staff costs)
\$960,000	project costs to be allocated: \$950,000 acquisition and \$10,000 overhead costs (title, escrow, and staff costs)

CEQA

A Notice of Exemption was filed with the State Clearinghouse on September 3, 2010. The 35-day statutes of limitation period expired on October 8, 2010, without challenge.

Project Schedule

The anticipated close of escrow is December 2010.

Condition of Property

On July 14, 2010, Department of General Services (DGS), Environmental Services Section staff conducted a site visit to assess the general condition of the property.

The property is accessed by a steep, gated dirt road originating at State Highway 35 east of the property. The area is heavily wooded, with no evidence of recent logging. No trash or debris was observed during the site inspection.

A Phase I Environmental Site Assessment (ESA) was completed in July 2010 in accordance with industry standards. The ESA did not reveal evidence of recognized environmental conditions (RECs) in connection with the subject property and recommended no further investigations.

Other

- The Board authorized delegated site selection on July 29, 2010.
- The purchase price shall not exceed the estimated fair market value as indicated in a DGS approved appraisal.
- The 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.
- Two streams in the vicinity of the proposed acquisition, Oil Creek and Tarwater Creek, are known to have naturally occurring oil seepages. Although no seepage has been reported on the subject property, future oil seepages are possible. According to Parks legal counsel, liability for such future seepages would rest on whether the presence of oil results from human activity, such as stream bed realignment. Parks' intended use of the property does not include alteration of any existing watercourse, and Parks has agreed to not engage in any activity that would disturb or otherwise increase the seepage of oil.

- A portion of the property is encumbered by a minerals life estate reservation recorded in 1952, however, there has been no indication of either the reservation ever having been exercised or of the life estate having expired. Due to the age of the life estate and its limited potential remaining duration, as well as the lack of historic or current exercise, and the intended use of the property for park open space and trails, this reservation is estimated to have no adverse impact.
- Mineral rights, including surface rights of entry, have been severed from a portion of the property. There is no known history of mining or exploration on, or near, the subject property. Severed mineral rights, in this case, are not estimated to have adverse impact on Parks' intended use of the property as an addition to an existing state park.
- The proposed acquisition would be an addition to an existing state park. While Parks does not foresee additional resource needs at this time, any such changes would be addressed through the normal budget process.
- There are no historic issues, implied dedication, or relocation assistance associated with this proposed acquisition.

Staff Recommendation: Authorize acquisition

CONSENT ITEMS

CONSENT ITEM—6

DEPARTMENT OF CORRECTIONS AND REHABILITATION (5225)
CENTRAL CALIFORNIA WOMEN'S FACILITY
FACILITY A GENERAL POPULATION/ENHANCED OUTPATIENT PROGRAM TREATMENT
AND OFFICE SPACE
MADERA COUNTY

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

Consider establishing scope, cost, and schedule

CONSENT ITEMS

STAFF ANALYSIS ITEM—6

Department of Corrections and Rehabilitation
Central California Women's Facility
Facility A General Population/Enhanced Outpatient Program Treatment and Office Space
Madera County

Action Requested

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

Scope Description

This project will design and construct a new two-story stand alone building, approximately 18,100 square feet, located in the Facility A yard at the Central California Women's Facility (CCWF). This new mental health building will not include any new housing, but will provide adequate treatment and office space to support up to 124 General Population/Enhanced Outpatient Program (GP/EOP) inmates in existing housing units. In addition, this project includes new walkways and upgrades to existing walkways that would bring building paths into compliance with current disabled access regulations. Additional fencing will also be installed. Consistent with the court-ordered activation schedule for this project, it is anticipated construction will begin in August 2012 and be completed in October 2013.

The first floor will be the secure inmate-patient treatment area. This portion of the building will contain inmate-patient waiting rooms; a treatment team meeting room; recreation therapy rooms; a multipurpose room; inmate-patient toilets; a staff toilet room; group treatment rooms; a mechanical, electrical, and telecom/data communications room; storage space; and a janitor's closet.

The second floor will be a staff only area that provides appropriate office and administrative space for program staff and clinicians. This portion of the building will include private offices, shared offices, open office area space, staff break rooms, staff restrooms, a copy/workroom, a conference room, a file room, and storage rooms.

On October 15, 2010, Finance notified the chairs of the JLBC, the Senate Appropriations, and Assembly Appropriations Committees of its intent to recommend establishing the scope, cost, and schedule of this project to the Board no sooner than 30 days from that date. The 30-day legislative review period for this project has expired without adverse comment.

Funding and Cost Verification

This action would allocate \$17,743,000 of the \$710,940,000 Public Buildings Construction Fund (lease revenue bond authority) appropriated in section 15819.403(a) of the Government Code for medical, dental, and mental health projects to complete design and construction for this project.

\$ 17,743,000 total estimated project cost

\$ 0 project costs previously allocated:

\$ 17,743,000 project costs to be allocated: \$1,007,000 preliminary plans, \$972,000 working drawings, and \$15,764,000 construction (\$12,009,000 contract, \$600,000 contingency, \$929,000 A&E, \$925,000 other project costs, and \$1,301,000 agency retained items)

CEQA

Appropriate CEQA documentation will be completed during the preliminary plans phase.

Real Estate Due Diligence

Real estate due diligence will be completed during the preliminary plans phase.

Project Schedule

Approve preliminary plans	October 2011
Approve working drawings	May 2012
Complete construction	October 2013

Staff Recommendation: Establish scope, cost, and schedule.

CONSENT ITEMS

CONSENT ITEM—7

DEPARTMENT OF CORRECTIONS AND REHABILITATION (5225)
IRONWOOD STATE PRISON, BLYTHE
HEATING, VENTILATION, AND AIR CONDITIONING SYSTEM
RIVERSIDE COUNTY

Authority: Chapters 268 and 269, Statutes of 2008, Item 5225-301-0001 (16)

Consider approving preliminary plans

CONSENT ITEMS

STAFF ANALYSIS ITEM—7

Department of Corrections and Rehabilitation
Ironwood State Prison, Blythe
Heating, Ventilation, and Air Conditioning System
Riverside County

Action requested

If approved, the requested action will approve preliminary plans.

Scope Description

This project is within scope. The Ironwood State Prison, Heating, Ventilation, and Air Conditioning (HVAC) project proposes to construct a new closed loop heating, venting, and chilled water cooling system at Ironwood State Prison (ISP). This project will include a chilled water distribution system as well as the electrical and control systems to support it. The housing units at ISP will receive new roofing, additional roof insulation, and minor structural repairs. Other buildings will receive new roofs without additional insulation. However, metal roofs will not be replaced. The central chilled water plant will consist of a main equipment room, a chemical storage room, an electrical room, an office, restrooms and an exterior yard. A backup generator will also be onsite to operate the plant during a power outage.

Funding and Cost Verification

This project is within cost. The Budget Act of 2008 appropriated \$5,758,000 General Fund for preliminary plans. Funding for working drawings and construction will be requested in fiscal years 2011/12 and 2012/13, respectively.

\$ 5,758,000 total authorized project cost
\$141,535,000 total estimated project cost
\$ 5,758,000 project costs previously allocated: preliminary plans
\$135,777,000 project costs to be allocated: \$6,100,000 working drawings, and \$129,677,000 construction (\$105,226,000 contract, \$7,366,000 contingency, \$4,678,600 A&E costs, \$10,535,400 other project costs, \$1,856,000 agency retained items, and \$15,000 group II equipment)

CEQA

A Notice of Exemption was filed with the State Clearinghouse on March 17, 2010, and the statutes of limitation expired on April 22, 2010, without a challenge.

Real Estate Due Diligence

The Department of General Services completed a Summary of Conditions Letter for this project on July 22, 2010 and it is noted that no significant issues were identified that would adversely affect the project.

Project Schedule

Approve Preliminary Plans	November 2010
Complete Working Drawings	April 2012
Complete Construction	March 2015

Staff Recommendation: Approve preliminary plans.

CONSENT ITEMS

CONSENT ITEM—8

DEPARTMENT OF CORRECTIONS AND REHABILITATION (5225)
CALAVERAS COUNTY ADULT DETENTION FACILITY
JAIL PROJECT
CALAVERAS COUNTY

Authority: Sections 15820.90 – 15820.907 of the Government Code

Consider authorizing Department of Corrections and Rehabilitation's execution of:

- a) a Ground Lease with the County of Calaveras
- b) an Easement Agreement for Grants of Access, Utilities, and Repairs Easements with the County of Calaveras
- c) a Right of Entry for Construction with the County of Calaveras

CONSENT ITEMS

STAFF ANALYSIS ITEM—8

Department of Corrections and Rehabilitation
Calaveras County Adult Detention Facility, Jail Project
Calaveras County

Action Requested

If approved, the requested action would authorize the Department of Corrections and Rehabilitation's (CDCR) execution of (1) a Ground Lease, (2) an Easement Agreement for Grants of Access, Utilities, and Repairs Easements, and (3) a Right of Entry for Construction with the County of Calaveras.

Scope Description

This project is within scope. This project consists of constructing a new jail located on county owned land. The project will include 88 cells to house approximately 160 medium to maximum-security inmates of all classifications. The new jail will be approximately 76,500 square feet.

The project also includes enclosed secure outdoor exercise areas, a central control room, housing pod control and intake/release/processing areas that contain holding cells, safety cells, sobering cells, court transfer cells, inmate property storage, secure vehicle sally port, showers for inmates, toilet facilities for staff and inmates, medical triage rooms, processing areas, administrative office area, and interview rooms. In addition, a new kitchen and vocational laundry will be constructed. Inmate visitation areas will include confidential and attorney visiting rooms, contact, non-contact and video visitation and video arraignment rooms. Program rooms will be provided and accessible to each housing unit. Medical and mental health services areas, including medical cells and secure pharmaceutical storage, will be provided for medical/mental health screening and routine medical care. Administration and staff facilities will include space for briefing and training, and a staff break room.

The project will also include, but is not limited to, electrical, plumbing, mechanical, and HVAC systems; a sewer pre-treatment system; and security and fire protection systems. Approximately 40 parking spaces will be provided for staff and visitor parking. Maintenance work space, storage areas and perimeter security fencing will be included in the scope of work.

The 160-bed jail project is part of a larger county facility that will include a Sheriff's administration building and may also include a dormitory building with two 40 bed units. However, the Sheriff's administration building and the potential dormitory building are not being constructed with funding from the Assembly Bill 900 county jail lease revenue bond financing program. Moreover, the jail building will be a stand-alone, functionally independent structure. As such, it will not be dependent on the Sheriff's administration building or the potential dormitory building for any services affecting its functionality. The county will also provide an access road into the project site.

Ground Lease, Easement Agreement, and Right of Entry for Construction

The requested action would authorize CDCR's execution of a Ground Lease with the County of Calaveras, 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 and the Ground Lease term will be fifty years.

The Ground Lease includes an Easement Agreement for Grants of Access, Utilities, and Repairs Easements (Easement Agreement). This action will also authorize CDCR's execution of the Easement Agreement with the County of Calaveras. 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.

In addition, the requested action would authorize CDCR's execution of a Right of Entry for Construction agreement (Right of Entry) with the County of Calaveras in order to provide the county access to the site for site analysis and jail construction-related activities. The Right of Entry will commence on the effective date of the Ground Lease and will terminate on the termination date of the Project Delivery and Construction Agreement.

Funding and Cost Verification

This project is within cost. On September 20, 2010, the Board took an action allocating \$26,388,000 of the \$750,000,000 Public Buildings Construction Fund (lease revenue bond authority) appropriated in section 15820.903 of the Government Code to partially finance the construction of this project. All of the acquisition/study and design costs and any construction costs in addition to this amount will be paid by the county.

- \$37,421,000 total authorized project cost
- \$37,421,000 total estimated project cost
- \$26,388,000 state funds previously allocated: construction contract
- \$11,033,000 local funds previously allocated: \$1,972,000 acquisition/study, \$1,419,000 preliminary plans, \$1,790,000 working drawings, and \$5,852,000 construction (\$2,097,000 contract, \$1,424,000 contingency, \$767,000 A&E, and \$1,564,000 other project costs)

CEQA

A Notice of Determination was filed with the State Clearinghouse on August 20, 2008, and the statutes of limitation expired on September 19, 2008, without challenge.

Real Estate Due Diligence

The Department of General Services completed a Summary of Conditions Letter for this project on October 14, 2010, and it is noted that no significant issues were identified.

Project Schedule

- Approve preliminary plans October 2010
- Complete working drawings December 2010
- Complete construction December 2012

Staff Recommendation: **Authorize CDCR’s execution of (1) a Ground Lease, (2) an Easement Agreement for Grants of Access, Utilities, and Repairs Easements, and (3) a Right of Entry for Construction with the County of Calaveras.**

CONSENT ITEMS

CONSENT ITEM—9

DEPARTMENT OF CORRECTIONS AND REHABILITATION (5225)
DEWITT NELSON CORRECTIONAL FACILITY
INFILL PROJECT
SAN JOAQUIN COUNTY

Authority: Sections 15819.40(a) and (d) and 15819.401 – 15819.404 of the Government Code

Consider recognizing:

- a) a scope change
- b) revised project costs

CONSENT ITEMS

STAFF ANALYSIS ITEM—9

Department of Corrections and Rehabilitation
DeWitt Nelson Correctional Facility, Infill Project
San Joaquin County

ITEM PULLED

CONSENT ITEMS

CONSENT ITEM—10

DEPARTMENT OF CORRECTIONS AND REHABILITATION (5225)
MADERA COUNTY JAIL
EXPANSION PROJECT
MADERA COUNTY

Authority: Sections 15820.90 – 15820.907 of the Government Code

Consider approving preliminary plans

CONSENT ITEMS

STAFF ANALYSIS ITEM—10

Department of Corrections and Rehabilitation
Madera County Jail, Expansion Project
Madera County

Action Requested

If approved, the requested action would approve preliminary plans.

Scope Description

This project is within scope. This project will design and construct renovations to and expansion of the existing county jail located on county owned land. The expansion will provide approximately 42,600 square feet (sf) of additional new housing and support services space.

The new housing addition will be approximately 27,100 sf and will include a celled housing pod with 32 double occupancy cells (approximately 64 beds) and a housing pod with eight dormitories, each including five sets of double bunks (approximately 80 beds), to house a total of approximately 144 inmates. Each housing pod will also include a dayroom; program space for education, religious, counseling, and recidivism reduction services; and an interview room.

This project will also include an approximately 12,200 sf, one-story visitation and training building to be located adjacent to the existing facility. This building will provide space for staff briefing and training, new locker rooms to accommodate increased staff, staff support, facility support, and internal affairs. In addition, this building will provide for public visiting and attorney interviews in a new video visitation center. Moreover, public areas will be expanded to accommodate the anticipated increase in visitors, including a complete entry control package and locked storage for visitors.

A portion of the existing jail will also be renovated to expand, reconfigure, and upgrade existing office, treatment, and program space, which will add approximately 3,300 sf of new support services space. These renovations will provide additional space for administrative and custody staff offices as well as inmate property and clothing storage. The current infirmary will be relocated and expanded. Program space will be added to accommodate additional medical, dental and mental health services. The intake/release processing areas will include holding cells, toilet facilities for staff and inmates, medical triage rooms, processing area, administrative office area, and interview rooms. Modifications will be made to the existing control room to monitor and operate the security perimeter and housing pods.

The project will include, but not limited to: electrical, mechanical, and HVAC systems; a building to contain chillers and boilers; and security and fire protection systems. Limited site work will be included such as curbs, gutters and parking areas.

Funding and Cost Verification

This project is within cost. On October 25, 2010, the Board took an action allocating \$29,047,000 of the \$750,000,000 Public Buildings Construction Fund (lease revenue bond authority) appropriated in section 15820.903 of the Government Code 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 \$30,000,000 from this appropriation to Madera 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. The remaining \$953,000 of Madera County's conditional award will remain available for allocation to the project if there is an increase in the construction costs eligible for reimbursement within the AB 900 Local Jail Financing Program.

\$35,772,000	total authorized project cost
\$35,772,000	total estimated project cost
\$29,047,000	state funds previously allocated: construction (\$26,406,000 contract, \$2,641,000 contingency)
\$ 6,725,000	local funds previously allocated: \$340,000 acquisition/study, \$711,000 preliminary plans, \$946,000 working drawings, and \$4,728,000 construction (\$615,000 A&E, \$3,486,000 other project costs, and \$627,000 agency retained items)

CEQA

A Notice of Determination was filed with the State Clearinghouse on August 27, 2007, and the statutes of limitation expired on September 26, 2007, without adverse comment.

Real Estate Due Diligence

The Department of General Services (DGS) completed a Summary of Conditions Letter for this project on April 29, 2010, and it is noted that one unresolved issue was identified. The issue pertains to the project area which is currently encumbered with county issued revenue bonds. On November 8, 2010 DGS completed an update to the Summary of Conditions letter and noted that the previously identified issue had been resolved and no conditions were identified that would adversely affect the project.

Project Schedule

Approve preliminary plans	November 2010
Complete working drawings	March 2011
Complete construction	December 2012

Staff Recommendation: Approve preliminary plans.

CONSENT ITEMS

CONSENT ITEM—11

DEPARTMENT OF VETERANS AFFAIRS (8955)
YOUNTVILLE VETERANS HOME
CENTRAL POWER PLANT RENOVATION
NAPA COUNTY

Authority: Section 1104.2 of the Military and Veterans Code

Consider establishing scope, cost and schedule

CONSENT ITEMS

STAFF ANALYSIS ITEM—11

Department of Veterans Affairs
Yountville Veterans Home
Central Power Plant Renovation
Napa County

Action requested

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

Scope Description

This project is within scope. The project will provide for renovation of the existing Central Power Plant. The project will include: installation of a new 460-volt electrical panel; the replacement of pumps, a condensate tank, de-aerator tank, and related valves; isolation of cooling tower valves and piping, an upgraded emergency generator (including fuel tank and transfer switch), an emergency generator for the chillers, the replacement of two 600 hp boilers with boilers appropriately sized to meet the needs of the home, and a water softener for the boilers. Demolition work will include removal of hazardous materials, old equipment, and miscellaneous valves and piping.

During the preliminary plans phase of this project, load profiles will be prepared to calculate the proper size for the boilers and emergency generator.

Funding and Cost Verification

This project is within cost. A total of \$5,427,000 (\$2,610,000 GO bonds, \$2,817,000 federal funds) is authorized for this project. Section 1104.2 of the Military and Veterans Code continuously appropriates GO bonds from the Veterans Home Fund for projects at the Yountville Veterans Home. Slightly over \$4 million remains available from this fund source. In addition to the GO bonds, Section 1104.2 of the Military and Veterans Code continuously appropriates matching federal funds from the USDVA's State Home Grant Program.

\$ 5,427,000 total estimated project cost

\$ 5,427,000 total authorized project costs

\$ 5,427,000 project costs to be allocated: \$482,000 preliminary plans, \$433,000 working drawings, and \$4,512,000 construction (\$3,413,000 contract, \$239,000 contingency, \$365,000 A&E, and \$495,000 other project costs)

CEQA

An environmental document will be prepared and filed in accordance with all applicable laws during the preliminary plans phase of this project.

Due Diligence

The Department of General Services will update a Summary of Conditions letter developed in August 2003 for the whole Yountville campus to ensure that there are no title exceptions associated with a former cogeneration plant and to confirm that no new issues have arisen that could affect this project.

Project Schedule

Approve preliminary plans	August 2011
Complete working drawings	September 2012
Complete construction	January 2014

Staff Recommendation: Establish scope, cost, and schedule.

ACTION ITEMS

ACTION ITEM—1

JUDICIAL COUNCIL OF CALIFORNIA (0250)
ADMINISTRATIVE OFFICE OF THE COURTS
NEW NORTH BUTTE COURTHOUSE
BUTTE COUNTY

AOC Facility Number 04-F1, DGS Parcel Number 10600

Authority: Chapter 1, Statutes of 2009, Third Extraordinary Session, Item 0250-301-3138 (1), as amended by Chapter 1, Statutes of 2009, Fourth Extraordinary Session Sections 70371.5 and 70371.7 of the Government Code

Consider finalizing the acquisition. On September 20, 2010, the Board authorized a contingent acquisition for the New North Butte Courthouse, allowing the Administrative Office of the Courts to clear the conditions precedent to final acquisition approval. These conditions have been satisfied and are listed below:

- (1) A duly authorized agreement(s) between the relevant parties releasing the subject property from the Meriam Park Development Agreement dated August 6, 2007 (Condition satisfied on October 21, 2010);**
- (2) The Department of General Services' review and approval of the agreement(s) referenced above prior to execution by the parties (Condition satisfied on October 5, 2010); and**
- (3) Satisfactory resolution of the title exceptions affecting the subject property related to one or more Chico Maintenance Districts (Condition satisfied on October 5, 2010).**

ACTION ITEMS

STAFF ANALYSIS ITEM—1

Department of General Services
Judicial Council of California
Butte County, New North Butte Courthouse

Action requested

If approved, the requested action would authorize acquisition for this project.

Scope Description

This project is within scope. The requested action would authorize the acquisition of approximately 4.3 acres of privately-owned unimproved land. The purpose of the proposed acquisition is to construct court facilities and related improvements for use by the Superior Court of California for judicial, court, administrative office, and related purposes. This project will construct a new 5-courtroom, 67,443 square foot facility. The project will provide secure parking for judicial officers and staff, as well as surface parking. This proposed project location is situated at the northwest corner of Bruce Road and 20th Street in Chico, California.

Funding and Cost Verification

This project is within cost. Chapter 1, Statutes of 2009, Third Extraordinary Session, Item 0250-301-3138 (1), as amended by Chapter 1, Statutes of 2009, Fourth Extraordinary Session, provides \$14,475,000 for the acquisition phase. The property can be acquired with the funds available and in accordance with Legislative intent.

CEQA

A Notice of Determination was filed with the State Clearinghouse on April 5, 2010. The 30-day statutes of limitation expired on May 5, 2010, without challenge.

Project Schedule

Estimated close of escrow	December 2010
Approval of preliminary plans	June 2011
Complete working drawings	April 2012
Complete construction	February 2014

Condition of Property

Both the Phase I and Phase II reports did not reveal any evidence of recognized environmental conditions in connection with the subject property and therefore concluded no further investigations.

Conditions Precedent to Acquisition

- The Board authorized conditional site acquisition for this project on September 20, 2010. The conditions precedent to final acquisition approval included that, prior to close of escrow and final approval of the acquisition by the State Public Works Board, the Administrative Office of the Courts was to obtain:

(1) A duly authorized agreement(s) between the relevant parties releasing the subject property from the Meriam Park Development Agreement dated August 6, 2007, satisfied on October 21, 2010;

(2) The Department of General Services' review and approval of the agreement(s) referenced above prior to execution by the parties, satisfied on October 5, 2010; and

(3) Satisfactory resolution of the title exceptions affecting the subject property related to one or more Chico Maintenance Districts, satisfied on October 5, 2010.

Staff have confirmed that all conditions have been satisfied and recommend authorizing acquisition.

Staff Recommendation: Authorize acquisition.

ACTION ITEMS

ACTION ITEM—2

JUDICIAL COUNCIL OF CALIFORNIA (0250)
ADMINISTRATIVE OFFICE OF THE COURTS
NEW SANTA CLARA FAMILY JUSTICE CENTER
SANTA CLARA COUNTY
JCC Parcel Number 43-B5, DGS Parcel Number 10626

Authority: Sections 70371.5 and 70371.7 of the Government Code

Consider authorizing acceptance of a no-cost acquisition contingent upon the Judicial Council of California, Administrative Office of the Courts satisfactorily completing the task listed below and direct the AOC to provide a reportable item at the appropriate regular scheduled Public Works Board meeting for final acquisition approval.

The condition precedent to final acquisition approval include, but is not limited to:

- (1) Satisfactory resolution of the final Pollution Liability Policy to ensure the terms and conditions in the Policy are as stated in the Property Acquisition Agreement.**

ACTION ITEMS

STAFF ANALYSIS ITEM—2

Judicial Council of California
Administrative Office of the Courts
New Santa Clara Family Justice Center
Santa Clara County

Action requested

If approved, the requested action would authorize the contingent acceptance of a no-cost acquisition.

Scope Description

This project is within scope. The requested action would authorize the no-cost acquisition from the County of Santa Clara (County) of approximately 1.57 acres to construct a 20 room family justice center in the City of San Jose. The new family justice center will replace five (5) leased facilities in downtown San Jose. The subject property, currently improved with an asphalt surface parking lot, will continue its use as a parking lot for the court facility and the

County until the commencement of construction. The County will retain a right of reversion in the event the state does not commence construction of the court facility within ten (10) years of the conveyance. Furthermore, because the Property Acquisition Agreement (PAA) does not include the State's standard indemnification language, the State will obtain a Pollution Liability Policy naming the State and the County as Insured's and will maintain the policy until the end of the Policy Period as defined in the PAA as commencing no later than the close of escrow date and ending the earlier of the second anniversary of the facility's Certificate of Occupancy date or the date the County reacquires title to the property pursuant to the County's right of reversion.

Funding and Cost Verification

This project is within cost. Sections 70371.5 and 70371.7 of the Government Code provided \$6,205,000 for land acquisition. However, since this is a no-cost acquisition, other than due diligence and staff costs, none of those funds are required to acquire the subject site. The property can be acquired with the funds available and in accordance with Legislative intent.

CEQA

A Notice of Determination was filed with the State Clearinghouse on April 13, 2010. The 30-day statutes of limitation expired on May 12, 2010, without challenge.

Project Schedule

Estimated close of escrow	December 2010
Approval of preliminary plans	June 2011
Complete working drawings	May 2012
Complete construction	July 2014

Condition of Property

On January 4, 2010, the Department of General Services (DGS) staff conducted a site visit to assess the general condition of a County-owned, 1.4 acre parcel bounded by North First Street, West Saint James Street, North Market Street, and Devine Street in an historical area of downtown San Jose, Santa Clara County. The property is a paved lot used by the Downtown Superior Court for jury and public vehicle parking. No above ground buildings or structures were observed on the site.

A Phase I report was completed in December 2008 in accordance with the American Society for Testing and Materials Standard Practice for Environmental Site Assessments. The Phase I ESA did not report any recognized environmental conditions (RECs) on the County-owned site.

Other

- The proposed site meets the size, location, and compatibility requirements of the Judicial Council of California.
- The subject property will continue its use as a parking lot for the court facility and the County until the Commencement of Construction as defined in the Property Acquisition Agreement (PAA) as the award of the project construction contract. The PAA addresses, and includes mutual indemnifications for, the post-acquisition continued parking lot use by the County.
- The grant deed contains a right of reversion to the County if the State does not commence construction by the Construction Commencement Deadline as defined in the PAA as the tenth anniversary of the close of escrow or December 31, 2020, whichever is earlier.
- The PAA does not include the State's standard indemnification language. However, the Phase I report and the DGS site visit do not indicate any conditions that would likely pose exceptional risk to the State. As a result, the State will obtain a Pollution Liability Policy naming the State and the County as Insured's and will maintain the policy until the end of the Policy Period as defined in the PAA.

- Prior to close of escrow and final approval of the acquisition by Public Works Board, AOC will provide final form and content of the Pollution Liability Policy ensuring the terms and conditions of the policy are as stated in the PAA.
- The PAA requires delivery of title to the property free and clear of any mortgages or liens.
- There are no historic issues, implied dedication, or relocation assistance associated with this project.

Staff Recommendation: Authorize acceptance of a no-cost acquisition contingent upon the AOC satisfactorily completing the task listed below:

The condition precedent to final acquisition approval include, but is not limited to:

- (1) Satisfactory resolution of the final Pollution Liability Policy (Policy) to ensure the terms and conditions in the Policy are as stated in the Property Acquisition Agreement.**

OTHER BUSINESS

- 1. Adoption of the 2011 SPWB Calendar.**
- 2. The Annual Report from Gilbert Associates Inc.**
 - a. Public Buildings Construction Fund
 - b. High Technology Education Revenue Bond Fund

Recognize the 2010 State Public Works Board Financial Statements

REPORTABLES

To be presented at the meeting.