



**CALIFORNIA STATE
PUBLIC WORKS BOARD**

EDMUND G. BROWN JR. • GOVERNOR

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AGENDA WITH ANALYSIS

**NOTICE OF MEETING
STATE PUBLIC WORKS BOARD
Friday, September 13, 2013**

The **STATE PUBLIC WORKS BOARD** will meet on
**Friday, September 13, 2013 at 10:00 a.m. in
Room 113, State Capitol, Sacramento, California.**
In accordance with provisions of section 11125 of the
Government Code, a copy of the Agenda is attached.

Greg Rogers
Executive Director

Attachment

STATE PUBLIC WORKS BOARD

Friday

September 13, 2013

10:00 a.m.

Room 113

State Capitol

Sacramento, California

I.	Roll Call		
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BOND ITEM

BOND ITEM—1

DEPARTMENT OF CORRECTIONS AND REHABILITATION (5225) 2013 SERIES F, LEASE REVENUE BONDS VARIOUS CORRECTIONAL FACILITIES

Project: **Calaveras Jail Facility**
Location: Calaveras County
Authority: Sections 15820.90 – 15820.907 of the Government Code

Project: **San Bernardino Jail Facility**
Location: San Bernardino County
Authority: Sections 15820.90 – 15820.907 of the Government Code

Project: **Shasta Juvenile Facility**
Location: Shasta County
Authority: Sections 1970 – 1977 of the Welfare and Institutions Code

Consider adoption of a resolution to:

1. Authorize the sale of the State Public Works Board Lease Revenue Bonds, Department of Corrections and Rehabilitation, 2013 Series F, Various Correctional Facilities, Tax-Exempt Bonds.
2. Approve the form of and authorize the execution of a One Hundred Twentieth Supplemental Indenture to the Master Indenture, between the State Treasurer and the Board.
3. Approve the form of and authorize the execution of a Site Lease between the Department of Corrections and Rehabilitation (CDCR) and the Board.
4. Approve the form of and authorize the execution of a Facility Lease between the Board and the CDCR.
5. Approve the form of and consent to and acknowledge a Facility Sublease between the CDCR and each of the three Counties—the County of Calaveras, the County of San Bernardino, and the County of Shasta.
6. Approve the form of and authorize the execution of a Continuing Disclosure Agreement.
7. Approve the form of and authorize the execution of a Purchase Contract by and among the Board, the State Treasurer and the underwriters named therein.
8. Approve the form of and authorize the delivery of a Preliminary Official Statement.
9. Approve and authorize the delivery of an Official Statement.
10. Approve other related actions in connection with the authorization, issuance, sale, and delivery of said revenue bonds.

Estimated Project Costs to be Financed	\$141,366,000
Estimated Par Value of Bonds to be Issued	\$144,655,000
“Not To Exceed” Par Amount	\$163,375,000

BOND ITEM

STAFF ANALYSIS ITEM—1

Department of Corrections and Rehabilitation
2013 Series F, Lease Revenue Bonds
Various Correctional Facilities

Action Requested

If approved, the requested action would authorize the sale of the 2013 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 of a supplemental indenture, site leases, facility leases, a continuing disclosure agreement, a purchase contract, and authorizing the delivery of a preliminary official statement, and an official statement. This action would also approve the form of and consent to and acknowledge facility subleases.

Scope Description and Funding

These projects are within scope and cost.

Calaveras Jail Facility, Calaveras County

The *Calaveras Jail Facility* (the “Calaveras Project”) is located within the City of San Andreas in Calaveras County on approximately 2 acres of county owned land. This project consists of the design and construction of a new, two-story adult commitment center. The Calaveras Project is approximately 76,500 square feet and includes four housing units and all necessary associated administration, security, health care treatment, program, and support services space. This project includes, but is not limited to, electrical; plumbing; mechanical; computerized heating, ventilation, and air conditioning; security; and fire protection systems. The Calaveras Project also includes outdoor recreation areas within secured fenced areas adjacent to the new housing units to provide direct access from the housing units. Approximately 40 additional parking spaces are provided for staff and visitor parking. The staff parking area includes security fencing and a gate with access control and security cameras.

The structural aspects of the building include a precast concrete panel exterior, structural steel framing, fully grouted Concrete Masonry Units (CMU), as well as metal stud framing. The 2nd and Mezzanine levels contain cell pods that are constructed of fully grouted CMU walls on concrete placed on steel decking. The roof of the building is supported by structural steel framing and metal decking with insulation and membrane roofing above. The building is equipped with fire alarm, public address, intercom, radio, telephone, door control and personal duress systems. The Calaveras Project also includes an emergency power backup system to accommodate fire and life safety, security, and operational functions.

Design of the Calaveras Project is complete. Construction commenced in August 2011, is expected to last approximately 28 months, and the Calaveras Project is expected to be available for occupancy in December 2013. The total Calaveras Project cost is estimated to be \$39,823,000 of which \$26,388,000 is expected to be financed with proceeds from the 2013F Bonds.

The issuance of the 2013F Bonds for this project has been authorized by sections 15820.90 - 15820.907 of the Government Code.

San Bernardino Jail Facility, San Bernardino County

The *San Bernardino Jail Facility* (the "San Bernardino Project") is located within the City of Adelanto in San Bernardino County on approximately 8 acres of county owned land. This project consists of the design and construction of a new, two-story adult commitment center adjacent to an existing adult detention center. The San Bernardino Project is approximately 281,000 square feet and includes three housing units, contained in a single housing building, a one-story support building, and all necessary associated administration, security, health care treatment, program, and support services space. This project includes, but is not limited to, electrical; plumbing; mechanical; computerized heating, ventilation, and air conditioning; security; and fire protection systems. The San Bernardino Project also includes recreation areas within secured fenced areas adjacent to the new two-story housing units to provide direct access from the housing units. Approximately 100 parking spaces are also provided for both staff and visitor parking as part of this project. The staff parking area includes security fencing and a gate with access control and security cameras.

The San Bernardino Project includes a single, two-story housing building divided into three reinforced concrete units and a single one-story support building built with reinforced masonry, with all structures interconnected by an enclosed inmate movement corridor. The buildings are equipped with fire alarm, public address, intercom, radio, telephone, door control and personal duress systems. The San Bernardino Project is provided with an emergency power backup system to accommodate fire and life safety, security, and operational functions.

Design of the San Bernardino Project is complete. Construction commenced in December 2010, is expected to last approximately 39 months, and the San Bernardino Project is expected to be available for occupancy in March 2014. The total San Bernardino Project cost is estimated to be \$146,265,000 of which \$100,000,000 is expected to be financed with proceeds from the 2013F Bonds.

The issuance of the 2013F Bonds for this project has been authorized by sections 15820.90 - 15820.907 of the Government Code.

Shasta Juvenile Facility, Shasta County

The *Shasta Juvenile Facility* (the "Shasta Project") is located within the City of Redding in Shasta County on approximately 5 acres of county owned land. The project consists of design and construction of a new, two-story juvenile commitment center on county owned land on which the county's existing juvenile facility was located. The Shasta Project is approximately 43,300 square feet and consists of three housing units and all necessary associated administration, security, health care treatment, program, and support services space. This project includes, but is not limited to, electrical; plumbing; mechanical; computerized heating, ventilation, and air conditioning; security; and fire protection systems. The Shasta Project also includes a secured shared outdoor recreation area that serves all three housing units. Approximately 100 parking spaces are also provided for both staff and visitor parking as part of this project. The staff parking area includes security fencing and a gate with access control and security cameras.

The exterior walls of the building and the interior cell walls are constructed of fully grouted concrete blocks. The floor is a concrete slab on grade and roof areas are framed with steel beams supporting concrete placed on steel deck, with roofing and insulation above. The building is equipped with fire alarm, public address, intercom, radio, telephone, door control and personal duress systems. The Shasta Project also includes an emergency power backup system to accommodate fire and life safety, security, and operational functions.

Design of the Shasta Project is complete. Construction commenced in March 2012, is expected to last approximately 20 months, and the Shasta Project is expected to be available for occupancy in November 2013. The total Shasta Project cost is estimated to be \$18,723,000 of which \$14,978,000 is expected to be financed with proceeds from the 2013F Bonds.

The issuance of the 2013F Bonds for this project has been authorized by sections 1970 - 1977 of the Welfare and Institutions Code.

Staff Recommendation: Adopt the resolution.

BOND ITEM

BOND ITEM—2

**DEPARTMENT OF CORRECTIONS AND REHABILITATION (5225)
2013 SERIES G, LEASE REVENUE BONDS
WASCO STATE PRISON: VARIOUS BUILDINGS**

Project: **California Medical Facility**

Location: Solano County

Project: **California State Prison—Solano**

Location: Solano County

Project: **Richard J. Donovan Correctional Facility**

Location: San Diego County

Project: **California Institution for Women**

Location: San Bernardino County

Project: **California Institution for Men**

Location: San Bernardino County

Leased Asset: **Wasco State Prison: Various Buildings**

Location: Kern County

Authority: *Sections 15819.40(b) and (c) and 15819.401 – 15819.404 of the Government Code; and section 15817.1*

Consider adoption of a resolution to:

1. Authorize the sale of the State Public Works Board Lease Revenue Bonds, Department of Corrections and Rehabilitation, 2013 Series G, Wasco State Prison: Various Buildings, Tax-Exempt Bonds.
2. Approve the form of and authorize the execution of an indenture, between the State Treasurer and the Board.
3. Approve the form of and authorize the execution of a First Supplemental Indenture to incorporate the Bonds into the Series G Indenture pooled reserve fund.
4. Approve the form of and authorize the execution of a Site Lease between the Department of Corrections and Rehabilitation (CDCR) and the Board.
5. Approve the form of and authorize the execution of a Facility Lease between the Board and the CDCR.
6. Approve the form of and authorize the execution of a Continuing Disclosure Agreement.
7. Approve the form of and authorize the execution of a Purchase Contract by and among the Board, the State Treasurer and the underwriters named therein.
8. Approve the form of and authorize the delivery of a Preliminary Official Statement.
9. Approve and authorize the delivery of an Official Statement.
10. Approve other related actions in connection with the authorization, issuance, sale, and delivery of said revenue bonds.

Estimated Project Costs to be Financed	\$175,786,000
Estimated Par Value of Bonds to be Issued	\$173,070,000
“Not To Exceed” Par Amount	\$177,000,000

BOND ITEM

STAFF ANALYSIS ITEM—2

Department of Corrections and Rehabilitation
2013 Series G, Lease Revenue Bonds
Wasco State Prison: Various Buildings

Action Requested

If approved, the requested action would authorize the sale of the 2013 Series G lease revenue bonds and other related actions in connection with the issuance, sale, and delivery of said revenue bonds, including approving the forms of and authorizing the execution of a supplemental indenture, site lease, facility lease, a continuing disclosure agreement, a purchase contract, and an official statement, and authorizing the delivery of a preliminary official statement.

Scope Description and Funding

The Wasco State Prison, Kern County (the “WSP”) is located approximately three miles west of the City of Wasco in Kern County on approximately 774 acres of state owned land. Construction of WSP was completed in June 1991. WSP houses Level I, III, and reception center male inmates.

The Wasco State Prison: Various Buildings (collectively, the “2013G Leased Property”) consist of 21 housing unit buildings on four yards, including 5 general population celled housing units, 4 reception center dormitory housing units, and 12 reception center celled housing units. Each general population housing unit is approximately 24,600 square feet and contains 100 cells, 56 square feet each to accommodate 200 beds. Each reception center dormitory housing unit is approximately 20,500 square feet and contains 14 dorm cells which range from 535 square feet to 717 square feet each to accommodate 146 beds. Each reception center housing unit is approximately 20,500 square feet and contains 100 cells, 59 square feet each to accommodate 200 beds. The exterior and interior walls of all of these buildings are constructed of precast tilt-up concrete panels and the ground floor is a concrete slab on grade while the upper floor and cell roof area are constructed precast planks with lightweight concrete fill on top. The roofs over the dayrooms are framed with steel beams supporting concrete placed on steel deck, with roofing and insulation above. The buildings are equipped with fire alarm, public address, intercom, telephone, door control and personal alarm systems.

The proceeds of the 2013G Bonds will be used to fund the design and construction of 5 authorized health care facilities improvement projects, which are different than the buildings described above and will be secured by the Site Lease and Facility Lease for the WSP Leased Property.

Assembly Bill 900 authorizes the Department of Corrections and Rehabilitation to design and construct new buildings, renovate existing buildings, and make necessary ancillary improvements at facilities to provide medical, dental, and mental health treatment. The purpose of the Health Care Facility Improvement Program is to remedy deficiencies in the health care components at each CDCR institution as established by the California Correctional Health Care Services program. Implementation of the Health Care Facility Improvement Programs will provide appropriate and adequate medical diagnostic and treatment space to the entire CDCR inmate population.

The proceeds of the 2013G Bonds will be used to fully finance the health care facility improvement projects at the following four institutions: California Medical Facility, California State Prison—Solano, Richard J. Donovan Correctional Facility, and California Institution for Women. The remaining proceeds of the 2013G Bonds will be used to partially finance the health care facility improvement project at the California Institution for Men.

Staff Recommendation: Adopt the resolution.

BOND ITEMS

BOND ITEM—3

CALIFORNIA STATE UNIVERSITY 2013 SERIES H VARIOUS CALIFORNIA STATE UNIVERSITY PROJECTS

Project: **Taylor II Replacement Building**
Campus: Chico
Authority: Chapter 33, Statutes of 2011, Item 6610-301-0668(1), as reappropriated by the Budget Act of 2012

Project: **West Hall**
Campus: Channel Islands
Authority: Chapter 33, Statutes of 2011, Item 6610-301-0668(4), as reappropriated by the Budget Act of 2012

Project: **Academic Building II**
Campus: Monterey Bay
Authority: Chapters 268 and 269, Statutes of 2008, Item 6610-301-0660(3), as reappropriated by the Budget Acts of 2009 and 2012

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, 2013 Series H, Various California State University Projects,
2. Approve the form of and authorize the execution of a One Hundred Twenty-First Supplemental Indenture to the Master Indenture, between the State Treasurer and the State Public Works Board (the Board).
3. Approve the form of and authorize the execution of Site Leases between the Trustees of the California State University and the Board.
4. Approve the form of and authorize the execution of Facility Leases between the Board and the Trustees of the California State University.
5. Approve the form of and authorize the execution of a Project Delivery Agreement between the Board and the Trustees of the California State University.
6. Approve the form of and authorize the execution of a Continuing Disclosure Agreement.
7. Approve the form of and authorize the execution of a Purchase Contract by and among the Board, the State Treasurer and the underwriters named therein.
8. Approve the form of and authorize the delivery of a Preliminary Official Statement.
9. Approve and authorize the delivery of an Official Statement.
10. Approve other related actions in connection with the authorization, issuance, sale, and delivery of said revenue bonds.

Estimated Project Costs to be Financed	\$132,203,000
Estimated Par Value of Bonds to be Issued	\$172,530,000
“To Not Exceed” Par Amount	\$205,060,000

BOND ITEMS

STAFF ANALYSIS ITEM—3

California State University (6610)
2013 Series H
Various California State University Projects

Action Requested

The requested action would authorize the sale of the 2013 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.

Taylor II Replacement Building Project

The Taylor II Replacement Building project (the “Taylor II Replacement Building Project”) will design and construct a new 91,000 square foot three-story steel frame facility on the CSU Chico campus to replace the existing 1961 Taylor Hall Building and to accommodate the College of Humanities and Fine Arts. The project site is located at the southeast corner of the Chico campus, adjacent to Kendal Hall and Laxson Auditorium. This facility will create a new campus gateway and public face. The Taylor II Replacement Building includes 525 lecture stations, various laboratory spaces, a new recital/dance hall, a recording studio, a ticket box office, replacement art galleries, graduate research studios, 100 faculty offices, administrative and support areas. Design features include an arched tower and brick façade and an internal courtyard surrounded by a diverse mix of academic, performance and creative spaces. Materials will include glass curtain walls and durable interior and exterior finishes of metal, glass, brick and decorative wood trim. A breezeway will tie the Taylor II courtyard to Kendall lawn and the 1st Street promenade, which connects to the heart of downtown Chico. The breezeway will be the primary organizing element, providing a secure point of entry to the public galleries and performance spaces.

The Taylor II Replacement Building is expected to bid in September 2013 and construction is expected to commence in January 2014, and is expected to last 28 months, with occupancy scheduled in May of 2016. The total Taylor II Replacement Building project cost is estimated to be \$55,691,000, of which approximately \$52,891,000 is expected to be financed from the 2013 Lease Revenue Bonds. The design phase of this project totaling \$2,800,000 was funded through California general obligation bonds.

Channel Islands West Hall

The West Hall project (the “West Hall project”) will construct a 60,565 square foot facility located in the southwest corner of the CSU Channel Islands campus North Quad area. The project will replace an existing 1940 building and will provide lecture and laboratory space, faculty offices, and support space for the departments of anthropology, geology, computer science, environmental science, physics, and psychology in addition to interdisciplinary lecture spaces. The building will be constructed of reinforced concrete block and will conform to campus design standards with a two-story lab facility facing Los Angeles Avenue. The exterior of the building

will be cement plaster with traditional divided lite windows, red clay tile roof and tile accents, consistent with the campus's existing California mission style architecture. The interior is being designed with flexibility and adaptability to allow for future enhancements in lecture and laboratory technology. The building will have operable windows with heating, ventilation, air conditioning interlocks to enable occupants to use natural ventilation taking advantage of the year round mild climate.

The West Hall project is expected to go out to bid in September 2013 and construction is expected to commence in January 2014, and is expected to last 24 months with occupancy scheduled for January 2016. The total West Hall project cost is estimated to be \$40,451,000, of which \$38,021,000 is expected to be financed from the 2013 lease revenue bonds. The design phase of this project totaling \$2,430,000 was funded through California general obligation bonds.

Monterey Bay Academic II Building

The Academic II Building project (the "Academic II Building project") will construct a 57,900 square foot classroom, laboratory, and faculty office building on the CSU Monterey Bay campus that will be situated immediately west of the Tanimura and Antle Family Memorial Library. The building steps down from three stories to one story to compliment the adjacent Library building with appropriate massing and sheltered outdoor spaces. The ground floor spaces feature curtain wall windows that are transparent and inviting to users and passersby. The building will have a steel moment frame structure with an atrium open to all three floors. Classrooms and laboratories will be housed on the first floor, while offices, administrative areas, and associated support spaces will occupy the second and third floors, which have ocean views to the south and west.

Durable exterior materials have been selected to withstand a marine environment and support a sustainable design. The exterior skin of the three-story section is a high performance curtain wall system constructed of extruded aluminum frames and one-inch insulated glass units. The two-story mass is clad with a high performance siding for durability and natural beauty. Building massing is appropriately sized to maximize solar gain in the winter and minimize heat gain in the southwestern elevation in the summer. A covered atrium will provide natural light to the interior while improving air circulation. The organization of the interior spaces ensures that active learning environments benefit from receiving natural daylight.

The Academic II Building project is expected to go out to bid in September 2013 and construction is expected to commence in January 2014, and is expected to last 22 months with occupancy scheduled in November 2015. The total Academic II Building project cost is estimated to be \$43,550,000, of which approximately \$41,291,000 is expected to be financed from the 2013 lease revenue bonds. The design phase of this project totaling \$2,118,000 was funded from other bond reserves.

Staff Recommendation: Adopt the resolution.

BOND ITEM

BOND ITEM—4

**DEPARTMENT OF CORRECTIONS AND REHABILITATION (5225)
JUVENILE FACILITY PROJECT
RIVERSIDE COUNTY**

Authority: Sections 1970 – 1977 of the Welfare and Institutions Code

Consider adoption of a resolution to:

1. Authorize actions to be taken to provide for interim financing and declare the official intent of the Board to reimburse certain capital expenditures from the Public Buildings Construction Fund from the proceeds of the sale of bonds.
2. Authorize the sale of lease revenue bonds.
3. Authorize the execution of a Project Delivery and Construction Agreement between Riverside County, the Department of Corrections and Rehabilitation, the Board of State and Community Corrections, and the Board.
4. Approve other related actions in connection with the authorization, issuance, sale, and delivery of said revenue bonds.

Total Bond Appropriation

\$24,698,000

BOND ITEM

STAFF ANALYSIS ITEM—4

Department of Corrections and Rehabilitation
Juvenile Facility Project
Riverside County

Action Requested

If approved, the requested action would adopt a resolution authorizing actions to be taken to provide for interim financing, authorize the sale of lease revenue bonds and the execution of a Project Delivery and Construction Agreement, and other related actions.

Scope Description

This project is within scope. This project will demolish an existing 20,000 square foot (sf) building and design and construct a new, approximately 60,600 sf single story building on approximately 5.3± acres of a greater 50± acres of county owned land located in the city of

Riverside. This facility will provide housing, program, healthcare, custody, administrative, and support services space to address the needs of approximately 106 high-risk juvenile offenders.

The housing and program space will consist of approximately 39,400 sf and will include four 20-cell housing units, one 6-cell assessment unit, and one transitional housing unit with 9 dormitory rooms. Each living unit will include a dayroom, space for group and individual therapy, a classroom, and an interview room. The housing units will have access to a shared classroom and recreational space.

The facility will also include approximately 21,200 sf for healthcare space, a central control room, kitchen and food storage areas, a laundry area, administrative space, and support services space. The support services space includes a general visitation room with two family bonding rooms, a warehouse, a maintenance shop, and staff locker rooms.

This project will include, but not be limited to, electrical; plumbing; mechanical; heating, ventilation, and air conditioning; security; and fire protection systems. The project will also include parking lots, a sally port, a central plant, a warehouse dock, emergency access roads, and all necessary appurtenances, as well as two bid alternates. The bid alternates are a site power and lighting alternate, which would provide dual generator back-up capable of powering the entire building and a building power and distribution alternate, which would provide power distribution modifications to accommodate the dual generator back-up power. These bid alternates will only be included if the construction contract bids received are low enough to accommodate their costs within the currently allocated construction budget. The new facility will be constructed primarily of concrete and steel for long-term durability, and will include cost effective “green building” principles designed to achieve a LEED Silver Certification.

Funding and Project Cost Verification

This project is within cost. Section 1973 of the Welfare and Institutions Code appropriates \$300,000,000 lease revenue bond financing authority to partially finance the construction of local youthful offender rehabilitative facilities. Award of this funding to individual counties is administered through the Board of State and Community Corrections (BSCC). The BSCC has conditionally awarded \$24,698,000 from this appropriation to Riverside 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. On May 10, 2013 the Board took an action to allocate \$24,698,000 to complete construction for this project. Subsequent to that action, a new project cost estimate was prepared in association with completion of preliminary plans. This item reflects these revised project costs and the Board is being asked to recognize them, as well as approve the preliminary plans for this project, in Consent Item—10 later in this agenda.

\$39,369,000	total authorized project cost
\$38,278,000	total estimated project cost
\$24,698,000	state funds previously allocated: \$24,698,000 construction
\$14,671,000	local funds previously allocated: \$5,236,000 acquisition/study, \$1,093,000 preliminary plans, \$1,532,000 working drawings, and \$6,810,000 construction (\$1,245,000 contract, \$1,816,000 contingency, \$1,096,000 A&E, \$2,003,000 other project costs, and \$650,000 agency retained)
\$ 1,091,000	local funds decrease: \$129,000 working drawings, \$962,000 construction (\$438,000 contract, \$31,000 contingency, and \$520,000 other project costs, and an increase of \$27,000 A&E)

CEQA

A Notice of Determination was filed with the State Clearinghouse on March 18, 2013, and the statutes of limitation expired on April 17, 2013, without challenge.

Real Estate Due Diligence

A Summary of Conditions letter for this project was completed on August 20, 2013, and no issues that would adversely affect the quiet use and enjoyment of the project were identified.

Project Schedule

Approve preliminary plans	September 2013
Complete working drawings	October 2013
Start construction	February 2014
Construction complete	August 2015

Staff Recommendation: Adopt resolution.

BOND ITEM

BOND ITEM—5

**UNIVERSITY OF CALIFORNIA (6440)
VARIOUS SERIES OF THE BOARDS UNIVERSITY OF CALIFORNIA BONDS
VARIOUS UNIVERSITY OF CALIFORNIA PROJECTS**

Authority: Sections 92493 – 92496 of the Education Code

Consider adopting a resolution to:

1. Approve the form of and authorize the execution of a Restructuring Agreement between the Board and The Regents, which will establish certain terms and conditions related to The Regents causing the defeasances of approximately \$2.407 billion of the Boards bonds previously issued to fund capital projects for the University of California, including setting forth certain ongoing responsibilities between the parties with respect to the Board's previously issued bonds being refunded by The Regents.
2. Approve the form of an Escrow Agreement by and between the Board and the State Treasurer and authorize execution for each series of the Board's bonds refunded and/or defeased by The Regents.
3. Approve the form of a Termination Agreement between The Regents and the Board and authorize execution for each series of Bonds refunded and/or defeased to terminate the respective Site or Space Lease and Facility or Facility Space Lease.
4. Approve the form of an Amendment to Facility Lease between The Regents and the Board and authorize execution for each series of bonds that has been refunded and/or defeased but a Related Series of the Board's bonds remain outstanding.
5. Approve other related actions that may be necessary to complete the refunding and/or defeasance of the Board's bonds by The Regents.

BOND ITEM

BOND ITEM—5

University of California
Various Series of The Board's University of California Bonds
Various University of California Projects

Action Requested

If approved, the requested action would adopt a resolution authorizing actions to be taken to assist The Regents in refunding and/or defeasing all or a portion of the Board's outstanding bonds issued to fund various University of California projects. This action would include approving the form of and authorizing the execution of a Restructuring Agreement, approve the form of an Escrow Agreement, form of a Termination Agreement, form of an Amendment to Facility Lease, and other actions as may be necessary.

Background

The Board has issued billions of lease revenue bonds over the years to fund numerous University of California (UC) capital projects. As identified in Table A below, as of June 30, 2013, the Board has \$2,406,740 of outstanding bonds that were issued to fund UC projects that are eligible for refunding and/or defeasance.

Section 92493 et. al. of the California Education Code (Chapter 50, Statutes of 2013) was enacted as part of the 2013 Budget Act and authorizes, among other things, The Regents to pledge their General Fund support appropriation, along with its other revenues, towards the issuance of UC revenue bonds in order to fund their capital outlay projects versus relying on the State Public Works Board to finance UC capital outlay projects. The law also authorizes The Regents to issue their bonds to fund the debt service associated with refunding, defeasing, or retiring State Public Works Board lease revenue bonds.

The UC Regents, at their July meeting, authorized to employ the university's general revenue bond credit to retire State Public Works Board bonds issued on behalf of the UC to fund UC capital outlay projects.

Board staff and bond counsels, including Treasurer's Office staff, have been working closely over the past several months with UC staff and their counsels to assist UC in accomplishing a refunding and/or defeasance of all or a portion of the Board's bonds issued on behalf of UC. The Regents desire to refund and/or defease all of the Board's bonds with proceeds from its schedule bond sale later this month.

To effectuate The Regents refunding and/or defeasance of the Board's outstanding bonds, the Board and The Regents have developed a Restructuring Agreement. The Restructuring Agreement clarifies the roles and responsibilities of each party during this transaction, including, but not limited to: the application of The Regents general bond proceeds, establishment and maintenance of escrow funds, termination of leases, the release and application of funds relating to the Board's bond proceeds, general tax compliance matters, IRS audit responsibilities, private business and use compliance, and reimbursement of administrative expenses. In addition, an Escrow Agreement, Termination Agreement, and an Amendment to a Facility Lease are also required.

The Restructuring Agreement and the other required documents will ensure the Board is compliant the relevant tax rules, responsibilities and procedures for tax compliance purposes and ensure the appropriate use of existing Board UC bond proceeds.

Table A.

OUTSTANDING BONDS ELIGIBLE FOR DEFEASANCE

State Public Works Board of the State of California	Amount Outstanding as of June 30, 2013 (in 000s)
<u>Lease Revenue Bonds:</u>	
1993 Series B (Various University of California Projects)	\$ 11,065
2003 Series A (UC Davis MIND Institute)	23,720
2004 Series A (UC Davis Medical Center Tower II)	12,115
2004 Series F (Various University of California Projects)	109,930
2005 Series C (Various University of California Institute Projects)	102,165
2005 Series D (Various University of California Projects)	279,825
2005 Series L (Various University of California Projects)	132,330
2006 Series E (University of California Research Project)	73,225
2008 Series A (UC Irvine Medical Center Replacement Hospital)	234,925
2008 Series B (San Francisco Moffitt and Long Hospital Seismic Upgrade)	22,720
2008 Series C (Natural Sciences Unit 2 - McGaugh Hall Expansion)	10,850
2009 Series E (Various University of California Projects)	149,640
2009 Series F (UC San Diego Medical Center – Hillcrest Seismic)	36,755
2010 Series C (Various University of California Projects)	
Subseries C-1 (Tax-Exempt Bonds)	65,230
Subseries C-2 (Federally Taxable Build America Bonds)	149,620
2010 Series D (Helios Energy Research Facility Project)	50,485
2011 Series G (Various University of California Projects)	295,200
2012 Series B (Business Unit at the Irvine Campus)	42,050
2013 Series C (Davidson Library at Santa Barbara)	77,370
<u>Lease Revenue Refunding Bonds (The Regents of the University of California):</u>	
1993 Series A (Various University of California Projects)	23,490
1997 Series A (Various University of California Projects)	73,825
1997 Series B (Various University of California Projects)	13,580
1998 Series B (Various University of California Projects)	10,955
1998 Series C (Various University of California Projects)	4,180
2001 Series A (Various University of California Projects)	8,660
2007 Series A (Various University of California Projects)	166,125
2007 Series B (Various University of California Projects)	49,850
2007 Series C (Various University of California Projects)	78,310
2012 Series F (Various University of California Projects)	91,715
Total Outstanding	\$2,399,910

Staff Recommendation: Adopt resolution.

CONSENT ITEM

CONSENT ITEM—1

JUDICIAL COUNCIL OF CALIFORNIA (0250)
ADMINISTRATIVE OFFICE OF THE COURTS
NEW SAN DIEGO CENTRAL COURTHOUSE
SAN DIEGO COUNTY
AOC Facility Number 37-L1

Authority: Chapter 20, Statutes of 2013, Item 0250-301-0668 (1) and Item 0250-301-3138(5)
Government Code section 15809

Consider consenting to the following agreements:

- a) a Subordination, Nondisturbance, and Attornment Agreement between the Judicial Counsel, Administrative Office of the Courts (AOC) and the County of San Diego that subordinates a Master Lease entered into by the AOC, as lessor, and the County of San Diego, as lessee, to the bond documents associated with the proposed financing by the Board of the above referenced project; and
- b) ten separate Subordination, Nondisturbance, and Attornment Agreements, between the County of San Diego and each of the County's sub-lessees under the Master Lease that subordinate the 10 subleases to the bond documents associated with the proposed financing by the Board of the above referenced project.

CONSENT ITEM

STAFF ANALYSIS ITEM—1

Judicial Council of California
Administrative Office of the Courts
New San Diego Central Courthouse
San Diego County

Action Requested

If approved, the requested action would consent to a Subordination, Nondisturbance, and Attornment Agreement between the AOC and the County of San Diego; and consent to ten separate Subordination Nondisturbance, and Attornment Agreements between the County of San Diego and each of the County's Sub-lessees under the Master Lease between the AOC and San Diego County.

Background

Pursuant to the Trial Court Facilities Act of 2002 (SB 1732), the County of San Diego (County) and the Judicial Council, through the Administrative Office of the Courts (AOC), agreed to transfer the existing San Diego Courthouse to the state. As part of this negotiated transfer, the state also received property adjacent to the existing courthouse for the future construction of the New San Diego Central Courthouse, but the County was allowed to continue using the adjacent property in the interim, subject to a 180-day termination notice, under a Master Lease between the County and the AOC. The Master Lease also gave the County the right to sublease this space to the existing tenants. In anticipation of issuing bonds this fall and starting construction on the New San Diego Central Courthouse, the AOC provided the required notice to the County and the Master Lease is set to expire in December 2013.

Although the County and its sub-lessees are scheduled to vacate the property prior to the start of construction of the new courthouse, the Master Lease and subleases currently prevent the Board from issuing bonds for this project prior to the expiration of the Master Lease. Therefore, the County and its sub-leases have agreed to subordinate their rights under the Master Lease to the bond financing documents the Board may consider as part of the planned fall 2013 bond sale and have each signed a Subordination, Nondisturbance, and Attornment agreement (SNDA). The Board is required to consent to these agreements.

Staff Recommendation: Consent to the Subordination, Nondisturbance, and Attornment Agreements presented at this meeting.

CONSENT ITEMS

CONSENT ITEM—2

**DEPARTMENT OF PARKS AND RECREATION (3790)
MORRO BAY STATE PARK, ATTMAN / GARRIS SITES
SAN LUIS OBISPO COUNTY**

DPR Parcel Number 014998, DGS Parcel No. 10773

Authority: Chapter 38, Statutes of 2005, Item 3790-301-6029(5), as reappropriated by the Budget Acts of 2008 and 2011

Consider authorizing the acquisition of real property through the acceptance of a no-cost acquisition

CONSENT ITEMS

STAFF ANALYSIS ITEM—2

Department of Parks and Recreation
Morro Bay State Park, Attman/Garris Sites
San Luis Obispo County

Action Requested

If approved, the requested action will authorize acquisition of real property through the acceptance of a no-cost acquisition.

Scope Description

This project is within scope. The Attman/Garris properties (Properties) are unimproved coastal dune habitat parcels contiguous to Morro Bay State Park and total approximately 15.5 acres. These Properties are being offered to the Department of Parks and Recreation (Parks) at no cost for the protection of Morro Shoulderband snail habitat, an endangered species endemic to San Luis Obispo County.

Funding and Cost Verification

This project is within cost. This is characterized as a no-cost acquisition in lieu of a gift because the donation of these Properties also comes with certain restrictions and requirements not characteristic of a true gift. Due diligence and staff costs have been paid with funds appropriated for this purpose. It should be noted that the Properties also come with an endowment of \$359,520, to cover Parks' ongoing habitat mitigation costs.

CEQA

A Notice of Exemption was filed with the State Clearinghouse on June 10, 2013, and the statutes of limitation expired on July 16, 2013, without challenge.

Project Schedule

Close of escrow December 2013

Condition of Property

In December 2012, Department of General Services (DGS) staff conducted a site visit to assess the general condition of the Properties. The Properties are bordered by Morro Bay State Park, Bureau of Land Management land, as well as by some private residences. The Properties are undeveloped and consist of coastal dune habitat with live oak trees, shrubs and groundcover vegetation within sandy soils. The DGS staff did not observe any environmental concerns.

Phase 1 Environmental Site Assessment (ESA)

A Phase 1 ESA was completed for the properties in April 2009. The Phase 1 ESA did not indicate any Recognized Environmental Concerns on the Properties.

Other:

- The proposed acquisitions are consistent with the state's planning priorities (Chapter 1016, Statutes of 2002). No development is currently planned for these parcels, which are intended for the protection of an endangered species only. State ownership of these parcels will help ensure the snail habitats are protected and limit incompatible development in this area.
- The Land Conservancy of San Luis Obispo (Conservancy) took possession of the Properties from Anastasi Development Company et al. on April 17, 2009, as part of a settlement agreement between Anastasi and United States Fish and Wildlife Service (USFWS) for the destruction of Morro Shoulderband snail habitat. The Conservancy, at the request of Parks, was asked to take possession of the Properties until such time Parks was in a position to accept the Properties.
- The Conservancy's transfer agreement to the state is pursuant to requirements from the USFWS, which include a long-term management plan, assurances for protection in perpetuity and an associated non-wasting endowment agreement. To satisfy the endowment requirement, Anastasi Development Company provided an endowment totaling \$359,520.00, currently held by the National Fish and Wildlife Foundation (NFWF). An Endowment Donation Agreement has been executed between Parks and the NFWF as donor and with the California State Parks Foundation as endowment administrator, contingent upon the approval of the acceptance of the donation of the land by the Board.
- Under the terms of the Endowment Donation Agreement, Parks has the ability to assume administrative responsibility of the endowment if necessary.
- Pursuant to a September 2009 Memorandum of Agreement between the Conservancy and Parks, upon accepting ownership of the Properties, Parks is required to pay the Conservancy administrative costs incurred during the interim holding period, not to exceed \$15,000.00.
- There is no implied dedication applicable to these Properties.
- Parks is not aware of any lawsuits pending concerning the Properties. The Project Acquisition Agreements will require delivery of title to the Properties free and clear of any mortgages or liens.

- Relocation assistance will not be required.
- Additional resources will not be required to operate these Properties. Parks has confirmed that the annual cost of maintenance for the properties would be no more than \$9,400 for the first year, when the bulk of any restoration of the land would be undertaken with funds from the endowment, and acknowledged that the costs could be scaled back considerably to meet the available funding in any given year to match lower annual disbursements from the endowment. Once restoration was completed, the costs of monitoring and any trail restoration would be considerably less than \$9,400 annually. Parks is confident that the endowment is of sufficient size to ensure no future cost to the state.

Staff Recommendation: **Authorize the acquisition of real property through a no-cost acquisition.**

CONSENT ITEMS

CONSENT ITEM—3

DEPARTMENT OF PARKS AND RECREATION (3790)
OCOTILLO WELLS STATE VEHICLE RECREATION AREA, TRUCKHAVEN SITES
IMPERIAL COUNTY
DPR Parcel Number 016678, DGS Parcel Numbers 10769.E, 99999.B, 99999.D, 99999.H

Authority: Chapter 33, Statutes of 2011, Item 3790-301-0263(3)

Consider authorizing acquisition

CONSENT ITEMS

STAFF ANALYSIS ITEM—3

Department of Parks and Recreation
Ocotillo Wells State Vehicle Recreation Area, Truckhaven Sites
Imperial County

Action Requested

If approved, the requested action would authorize acquisition.

Scope Description

This project is within scope. The requested action would authorize the acquisition of approximately 19 acres of land, consisting of 4 separate parcels, to be used as a buffer for Ocotillo Wells State Vehicle Recreation Area (SVRA) by the Department of Parks and Recreation (Parks). The subject non-contiguous parcels range in size from 0.29 acres to approximately 11 acres. These unimproved sites are vacant and are located in an unincorporated rural area of Imperial County near Salton City and State Highway 86.

Funding and Cost Verification

This project is within cost. A total of \$2,000,000 in the Off-Highway Vehicle Trust Fund has been appropriated for opportunity and in-holding acquisitions. The combined purchase price of the parcels has been negotiated at \$55,900, not including staff costs of \$15,000. The balance of the appropriation is sufficient to acquire the subject parcels in accordance with legislative intent.

CEQA

A Notice of Exemption was filed with the State Clearinghouse on February 5, 2013, and the 35-day statutes of limitation expired on March 11, 2013, without challenge.

Project Schedule

Close of escrow October 2013

Condition of Property

The topography consists of rugged desert badlands to relatively flat lying mesas with vegetation consisting of a sparse cover of brush and shrubs. There are numerous drainages and washes throughout the vicinity, along with dirt roads and power lines.

Phase 1 Environmental Site Assessment (ESA)

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

Other:

- The Board approved site selection for 15 parcels and approximately 217 acres of land on October 10, 2012. Acquisition of six of those parcels was approved on April 15, 2013. Parks is requesting acquisition approval of 4 additional parcels at this time. Parks anticipates requesting acquisition approval for 1 of the remaining 5 parcels in the next several months. However, it is unclear if the remaining 4 parcels will be ready for acquisition in the near future.
- The proposed acquisitions are consistent with the state's planning priorities (Chapter 1016, Statutes of 2002). No development is currently planned for these parcels, which are intended for environmental buffer space only. State ownership of these parcels will help ensure these open spaces are protected and limit incompatible development in this area.
- The purchase prices do not exceed the estimated fair market value as determined by a DGS approved appraisal.
- Implied dedication may exist because a portion of the subject parcels may have been subject to prior public use. The desert terrain is typically traversed by the general public without regard to ownership and use of the land for off-highway vehicle activity is open and notorious. According to Parks, implied dedication would not adversely affect Parks' use of the properties.
- Mineral and water rights with surface rights of entry were previously conveyed on some of the parcels within the proposed acquisition area. There is no known active oil, gas, water or mineral extraction in the area. Public Resource Code 5006.45(c) permits prospecting and the extraction of mineral rights at the Ocotillo Wells SVRA. Parks has determined that the existence of these rights will not unreasonably interfere with the use of the property.
- The Property Acquisition Agreements (PAAs) do not include the state's standard environmental indemnification language. However, based on the state's visual inspections and review of the Phase I ESA, it does not appear that there are any environmental conditions which would present exceptional risk to the state. It should be noted that the lack of standard indemnification language does not relieve the seller or prior owners of liability under existing law.
- Parks is not aware of any lawsuits pending concerning the properties. The PAAs will require delivery of title to the property free and clear of any mortgages or liens.

- Relocation assistance will not be required.
- Additional resources will not be required to operate these properties, because the properties are undeveloped and are patrolled by air, thus requiring only the most minimal maintenance and security efforts.

Staff Recommendation: Authorize acquisition.

CONSENT ITEMS

CONSENT ITEM—4

DEPARTMENT OF PARKS AND RECREATION (3790)
LEO CARRILLO STATE PARK
STEELHEAD TROUT BARRIER REMOVAL
LOS ANGELES COUNTY

Authority: Chapter 712, Statutes of 2010, Item 3790-301-0392(2), as reappropriated by the Budget Acts of 2011, 2012, and 2013

Consider approving preliminary plans

CONSENT ITEMS

STAFF ANALYSIS ITEM—4

Department of Parks and Recreation
Leo Carrillo State Park
Steelhead Trout Barrier Removal
Los Angeles County

Action Requested

If approved, the requested action would approve preliminary plans.

Scope Description

This project is within scope. This project will provide two free-span bridges to replace two existing in-stream crossings located on Arroyo Sequit Creek within Leo Carrillo State Park. This project will enhance habitat and increase spawning opportunity for a federally listed endangered fish species and improve impairments to water quality caused by two failing in-stream concrete crossings.

Funding and Cost Verification

This project is within cost. A total of \$2,197,000 has been appropriated for the construction phase of this project. This is a fully-reimbursed, grant-funded project. The preliminary plans were completed by the Santa Monica Bay Restoration Foundation (Foundation) and reviewed by the Department of Parks and Recreation. Grant funding for the construction phase has been secured and will be available upon completion of the working drawings, also to be completed by the Foundation.

\$2,197,000 total authorized project cost

\$2,197,000 total estimated project cost

\$2,197,000 project costs to be allocated: construction (\$1,827,000 contract, \$128,000 contingency, \$219,000 A&E costs, and \$23,000 agency retained items)

CEQA

A Notice of Exemption was filed with the State Clearinghouse on January 11, 2006, and the statutes of limitation expired on March 11, 2006, without challenge.

Real Estate Due Diligence

The DPR has reviewed the conditions of the property and no issues that would adversely affect the quiet use and enjoyment of the project were identified.

Project Schedule

Approve preliminary plans:	September 2013
Complete working drawings:	April 2014
Start construction	June 2014
Complete construction:	January 2015

Staff Recommendation: Approve preliminary plans.

CONSENT ITEMS

CONSENT ITEM—5

**DEPARTMENT OF CORRECTIONS AND REHABILITATION (5225)
JAIL PROJECT
MONTEREY COUNTY**

Authority: Sections 15820.91 – 15820.917 of the Government Code

Consider establishing scope, cost and schedule

CONSENT ITEMS

STAFF ANALYSIS ITEM—5

**Department of Corrections and Rehabilitation
Jail Project
Monterey County**

Action Requested

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

Scope Description

This project will design and construct a new, approximately 52,000 square foot addition to the existing jail on approximately 2.6+ acres of a greater 9.02± acres of county-owned land located in the city of Salinas. The expansion will include approximately 288 beds and provide housing and program space.

This project will include 4 two-tiered housing units with a total of approximately 141 double cells and six single cells. The housing space will also include four dayrooms, two program rooms, showers and toilet area, four recreation yards, video visitation space, and mechanical, janitorial, and storage space. The housing units will be connected by a secure corridor and courtyard and will share a central control room, two interview rooms, two program rooms, two medical exam rooms, administrative support and office space, and storage space.

This project will also include, but is not limited to, electrical; plumbing; mechanical; computerized heating, ventilation, and air conditioning; security; and fire protection systems; as well as staff and visitor parking, area of refuge and pathways, and all necessary appurtenances.

Funding and Project Cost Verification

Section 15820.913 of the Government Code appropriates \$774,229,000 lease revenue bond financing authority to partially finance the design and construction of local jail facilities. The initial allocation of this funding to counties was administered by the Board of State and Community Corrections (BSCC) through a competitive public process. The BSCC has conditionally awarded \$36,295,000 from this appropriation to Monterey County for this project. All of the acquisition/study and any design and construction cost in addition to this amount will be paid by the county. This action would allocate \$36,295,000 from this appropriation to complete design and construction for this project.

\$40,328,000 total estimated project cost

\$36,295,000 state funds to be allocated: \$866,000 working drawings, \$35,429,000 construction (\$30,183,000 contract, \$2,817,000 contingency, \$474,000 A&E, \$1,066,000 other project costs, \$889,000 agency retained)

\$4,033,000 local funds allocated: \$82,000 acquisition/study, \$1,994,000 preliminary plans, \$812,000 working drawings, \$1,145,000 construction (\$285,000 A&E, \$693,000 other project costs, \$167,000 agency retained)

CEQA

Environmental review for this project is currently underway and the appropriate CEQA documentation will be completed prior to seeking approval of preliminary plans.

Real Estate Due Diligence

Real Estate due diligence for this project is currently under review and will be completed prior to seeking approval of preliminary plans.

Project Schedule

Approve preliminary plans	October 2014
Complete working drawings	July 2015
Start construction	November 2015
Complete construction	December 2017

Staff Recommendation: Establish project scope, cost and schedule.

CONSENT ITEMS

CONSENT ITEM—6

DEPARTMENT OF CORRECTIONS AND REHABILITATION (5225)
FOLSOM STATE PRISON
CELL BLOCK FIVE FIRE/LIFE SAFETY UPGRADE
SACRAMENTO COUNTY

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

Consider establishing scope, cost, and schedule

CONSENT ITEMS

STAFF ANALYSIS ITEM—6

Department of Corrections and Rehabilitation
Folsom State Prison
Cell Block Five Fire/Life Safety Upgrade
Sacramento County

Action Requested

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

Scope Description

This project will construct fire/life safety improvements to the existing Cell Block Five (60,100 gross square feet) housing unit and dining hall at Folsom State Prison. The proposed upgrades include the installation of a fire suppression system in each of the 328 cells, overhead fire sprinklers in the remainder of the building, and a central reporting fire alarm and smoke detection system. These systems will be monitored and at a minimum, audible and visual alarms must sound at the facility's Central Control Room.

Pursuant to the provisions of Section 7050(b) of the Penal Code, the Department of Corrections and Rehabilitation (CDCR) reported the scope, cost, and schedule information for this project to the Joint Legislative Budget Committee on August 1, 2013, concurrent with submission of its request to the Board to establish the scope, cost and schedule.

Funding and Project Cost Verification

Section 28(a) of Chapter 7 of the Statutes of 2007 (AB 900) appropriated \$300 million General Fund to CDCR for capital outlay to renovate, improve, or expand infrastructure capacity at existing prison facilities. This action would allocate \$426,000 of the AB 900 General Fund to complete the preliminary plans for this project. The remaining funding for this project is expected to be requested through the annual state budget process.

\$ 7,549,000 total estimated project cost

\$ 426,000 project costs to be allocated: preliminary plans

\$ 7,123,000 project costs unallocated: \$428,000 working drawings and \$6,695,000 construction (\$5,014,000 contract, \$351,000 contingency, \$405,000 A&E, \$683,000 other project costs, and \$242,000 agency retained items)

CEQA

Environmental review for this project is currently underway and the appropriate CEQA documentation will be completed prior to seeking approval of preliminary plans.

Real Estate Due Diligence

Real estate due diligence for this project is currently under review and will be completed prior to seeking approval of preliminary plans.

Project Schedule

Approve preliminary plans	September 2014
Complete working drawings	February 2015
Start construction	June 2015
Complete construction	June 2016

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

CONSENT ITEMS

CONSENT ITEM—7

DEPARTMENT OF CORRECTIONS AND REHABILITATION (5225)
CALIFORNIA CORRECTIONAL INSTITUTION
HEALTH CARE FACILITY IMPROVEMENT PROJECT
KERN COUNTY

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

Consider establishing scope, cost, and schedule

CONSENT ITEMS

STAFF ANALYSIS ITEM—7

Department of Corrections and Rehabilitation
California Correctional Institution
Health Care Facility Improvement Project
Kern County

Action Requested

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

Scope Description

The Health Care Facility Improvement project at California Correctional Institution (CCI) will support CCI's operation as a Basic institution as part of the California Department of Corrections and Rehabilitation Health Care Facility Improvement Program strategy to address statewide prison health care deficiencies. The purpose of the health care facility improvements at CCI is to remedy deficiencies in medication distribution, primary care, specialty care, pharmacy, and laboratory.

CCI is one of seventeen institutions designated as a Basic Care institution. Basic Care institutions will have the capability of providing routine specialized medical services and consultation for the generally healthy inmate-patient population.

This project includes a new Facility E primary care clinic, a new pharmacy and lab, Facilities A and D primary care clinic renovations, Facility B primary care and specialty clinic renovation, and Facility C primary care clinic renovation and addition.

The purpose of the new pharmacy and laboratory is to provide the space needed to meet the pharmaceutical and laboratory needs of CCI and make space available within Facility B, where the pharmacy and laboratory are currently located, for direct inmate-patient specialty services and care. The new Facility E primary care clinic, the Facility C primary care clinic renovation and addition, and the three primary care clinics renovations located in Facilities A, B, and D will provide primary health care treatment and consultations consistent with the delivery of a Basic level of care at CCI. The Facility B clinic renovation will also provide space for specialty care consultation and a Treatment and Triage Area for emergency services that will be readily available to CCI inmate-patients from all of the Facilities.

Funding and Cost Verification

This action would allocate \$19,388,000 of the \$900,419,000 lease revenue bond authority appropriated for medical, dental, and mental health facilities in section 15819.403(a) of the Government Code to complete design and construction for this project.

\$19,388,000 total estimated project costs

\$19,388,000 project costs to be allocated: \$1,167,000 preliminary plans, \$1,199,000 working drawings, and \$17,022,000 construction (\$11,289,000 contract, \$677,000 contingency, \$993,000 A&E, \$1,283,000 other project costs, and \$2,780,000 agency retained items)

CEQA

Environmental review for this project is currently underway and the appropriate CEQA documentation for this project will be completed prior to seeking approval of preliminary plans.

Real Estate Due Diligence

Real estate due diligence for this project is currently under review and will be completed prior to seeking approval of preliminary plans.

Project Schedule

Approve preliminary plans	July 2014
Complete working drawings	January 2015
Start construction	May 2015
Complete construction	November 2016

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

CONSENT ITEMS

CONSENT ITEM—8

DEPARTMENT OF CORRECTIONS AND REHABILITATION (5225)
SIERRA CONSERVATION CENTER
HEALTH CARE FACILITY IMPROVEMENT PROJECT
TUOLUMNE COUNTY

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

Consider establishing scope, cost, and schedule

CONSENT ITEMS

STAFF ANALYSIS ITEM—8

Department of Corrections and Rehabilitation
Sierra Conservation Center
Health Care Facility Improvement Project
Tuolumne County

Action Requested

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

Scope Description

The Health Care Facility Improvement project at Sierra Conservation Center (SCC) will support SCC's operation as a Basic Care institution as part of the California Department of Corrections and Rehabilitation Health Care Facility Improvement Program strategy to address statewide prison health care deficiencies. The purpose of the health care facility improvements at SCC is to remedy deficiencies in primary care, specialty care, pharmacy, laboratory, health records, and health care administration.

SCC is one of seventeen institutions designated as a Basic Care institution. Basic Care institutions will have the capability of providing routine specialized medical services and consultation for the generally healthy inmate-patient population.

This project includes the design and construction of a new pharmacy and lab, a new health care administration building, central health services renovation, and Facility C primary care clinic renovation and addition.

The new pharmacy and lab will provide the space needed to meet the pharmaceutical and laboratory processing demands at SCC and make space available within the central health services building, where the pharmacy and lab are currently located, for direct inmate-patient primary and specialty clinical care services. The new health care administration building will provide space for the health care administration staff displaced from the central health services building. The central health services renovation will provide specialty clinical services and consultation, primary care, emergency treatment, and health care records space consistent with the delivery of a Basic level of care. The Facility C primary care clinic renovation and addition will provide health care treatment and consultation at Facility C and include space for lab draw activities to increase access to these services.

Funding and Cost Verification

This action would allocate \$17,798,000 of the \$900,419,000 lease revenue bond authority appropriated for medical, dental, and mental health facilities in section 15819.403(a) of the Government Code to complete design and construction for this project.

\$17,798,000 total estimated project costs

\$17,798,000 project costs to be allocated: \$1,292,000 preliminary plans, \$1,212,000 working drawings, and \$15,294,000 construction (\$10,448,000 contract, \$627,000 contingency, \$919,000 A&E, \$1,191,000 other project costs, and \$2,109,000 agency retained items)

CEQA

Environmental review for this project is currently underway and the appropriate CEQA documentation for this project will be completed prior to seeking approval of preliminary plans.

Real Estate Due Diligence

Real estate due diligence for this project is currently under review and will be completed prior to seeking approval of preliminary plans.

Project Schedule

Approve preliminary plans	July 2014
Complete working drawings	January 2015
Start construction	May 2015
Complete construction	February 2017

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

CONSENT ITEMS

CONSENT ITEM—9

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

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

Consider recognizing revised project costs

CONSENT ITEMS

STAFF ANALYSIS ITEM—9

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

Action Requested

If approved, the requested action would recognize revised project costs.

Scope Description

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

Mule Creek State Prison (MCSP) will need to apply for a revised waste discharge permit from the Regional Water Quality Control Board (RWQCB) in order to activate the Level II dorm project proposed for this location. Initial consultant studies indicate that the existing WWTP can accommodate the wastewater discharge expected from MCSP and the Level II dorm project; however, these expected flow levels will not allow for the 15 percent additional capacity buffer required by the RWQCB. CDCR has identified modifications to the scope of this project that will allow the WWTP to treat a greater wastewater volume in order to provide the necessary

additional capacity required by the RWQCB. These modifications consist of upsized pumps, motors and piping within the plant; additional paddles/aerators in the oxidation ditch and clarifiers; revised instrumentation; and improvements to an existing sludge drying bed. These improvements will allow the existing features of the plant to handle a higher rate of flow while still treating the effluent properly.

Funding and Cost Verification

This project is not within cost. The Budget Acts of 2007 and 2008, respectively, provided \$932,000 for preliminary plans (\$390,000) and working drawings (\$542,000) for this project. Subsequently, on March 13, 2009, the Board approved an \$84,000 augmentation to the working drawings phase of this project. In the spring of 2009, it was determined that construction of this project should be completed using funding from the \$300 million General Fund appropriated in Section 28(a) of Chapter 7 of the Statutes of 2007 (AB 900). Accordingly, on May 8, 2009, the Board established the scope, cost, and schedule for this project and allocated \$6,149,000 of the AB 900 General Fund appropriation to complete construction for this project. On October 10, 2012, the Board approved a project cost increase of \$226,000 for working drawings and \$827,000 for construction from this fund. This action brought the total authorized project cost to \$8,218,000.

As a result of the modifications and associated improvements necessary to complete this project, as described in the final paragraph of the scope description above, a new project cost estimate was prepared. In addition, this action will recognize the reversion of \$40,000 from the general fund appropriations in the Budget Acts of 2007 and 2008 for preliminary plans (\$14,000) and working drawings (\$26,000). Based on this new estimate, the total estimated project cost is \$9,211,000, which is an increase of \$993,000.

\$8,218,000	total authorized project costs
\$9,211,000	total estimated project costs
\$8,218,000	project costs previously allocated: \$390,000 preliminary plans, \$852,000 working drawings, and \$6,976,000 construction (\$4,743,000 contract, \$332,000 contingency, \$679,000 A&E, \$1,003,000 other project costs, and \$219,000 agency retained items)
\$ 993,000	project cost increase: a decrease of \$14,000 preliminary plans, and an increase of \$264,000 working drawings and \$743,000 construction (\$713,000 contract, \$50,000 contingency, \$20,000 A&E, and \$10,000 agency retained items, and a decrease of \$50,000 other project costs)

CEQA

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

Real Estate Due Diligence

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

Project Schedule

Approve preliminary plans	March 2009
Complete working drawings	February 2014
Start construction	May 2014
Complete construction	July 2015

Staff Recommendation: Recognize revised project costs.

CONSENT ITEMS

CONSENT ITEM—10

DEPARTMENT OF CORRECTIONS AND REHABILITATION (5225)
JUVENILE FACILITY PROJECT
RIVERSIDE COUNTY

Authority: Sections 1970 – 1977 of the Welfare and Institutions Code

Consider:

- a) approving preliminary plans
- b) recognizing revised project costs

CONSENT ITEMS

STAFF ANALYSIS ITEM—10

Department of Corrections and Rehabilitation
Juvenile Facility Project
Riverside County

Action Requested

If approved, the requested action would approve preliminary plans and recognize revised project costs.

Scope Description

This project is within scope. This project will demolish an existing 20,000 square foot (sf) building and design and construct a new, approximately 60,600 sf single story building on approximately 5.3± acres of a greater 50± acres of county owned land located in the city of Riverside. This facility will provide housing, program, healthcare, custody, administrative, and support services space to address the needs of approximately 106 high-risk juvenile offenders.

The housing and program space will consist of approximately 39,400 sf and will include four 20-cell housing units, one 6-cell assessment unit, and one transitional housing unit with 9 dormitory rooms. Each living unit will include a dayroom, space for group and individual therapy, a classroom, and an interview room. The housing units will have access to a shared classroom and recreational space.

The facility will also include approximately 21,200 sf for healthcare space, a central control room, kitchen and food storage areas, a laundry area, administrative space, and support services space. The support services space includes a general visitation room with two family bonding rooms, a warehouse, a maintenance shop, and staff locker rooms.

This project will include, but not be limited to, electrical; plumbing; mechanical; heating, ventilation, and air conditioning; security; and fire protection systems. The project will also include parking lots, a sally port, a central plant, a warehouse dock, emergency access roads, and all necessary appurtenances, as well as two bid alternates. The bid alternates are a site power and lighting alternate, which would provide dual generator back-up capable of powering the entire building and a building power and distribution alternate, which would provide power distribution modifications to accommodate the dual generator back-up power. These bid alternates will only be included if the construction contract bids received are low enough to accommodate their costs within the currently allocated construction budget. The new facility will be constructed primarily of concrete and steel for long-term durability, and will include cost effective "green building" principles designed to achieve a LEED Silver Certification.

Funding and Project Cost Verification

This project is within cost. Section 1973 of the Welfare and Institutions Code appropriates \$300,000 lease revenue bond financing authority to partially finance the construction of local youthful offender rehabilitative facilities. Award of this funding to individual counties is administered through the Board of State and Community Corrections (BSCC). The BSCC has conditionally awarded \$24,698,000 from this appropriation to Riverside 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. On May 10, 2013, the Board took an action to allocate \$24,698,000 to complete construction for this project. Subsequent to that action, a new project cost estimate was prepared in association with completion of preliminary plans. Based on this new estimate, the current total estimated project cost is \$38,278,000, which is a decrease of \$1,091,000. This action would recognize these revised project costs as detailed below.

\$39,369,000	total authorized project cost
\$38,278,000	total estimated project cost
\$24,698,000	state funds previously allocated: construction
\$14,671,000	local funds previously allocated: \$5,236,000 acquisition/study, \$1,093,000 preliminary plans, \$1,532,000 working drawings, and \$6,810,000 construction (\$1,245,000 contract, \$1,816,000 contingency, \$1,096,000 A&E, \$2,003,000 other project costs, and \$650,000 agency retained)
\$ 1,091,000	local funds decrease: \$129,000 working drawings, and \$962,000 construction (\$438,000 contract, \$31,000 contingency, and \$520,000 other project costs, and an increase of \$27,000 A&E)

CEQA

A Notice of Determination was filed with the State Clearinghouse on March 18, 2013, and the statutes of limitation expired on April 17, 2013, without challenge.

Real Estate Due Diligence

A Summary of Conditions letter for this project was completed on August 20, 2013, and no issues that would adversely affect the quiet use and enjoyment of the project were identified.

Project Schedule

Approve preliminary plans	September 2013
Complete working drawings	October 2013
Start construction	February 2014
Construction complete	August 2015

Staff Recommendation: **Approve preliminary plans and recognize revised project costs.**

CONSENT ITEMS

CONSENT ITEM—11

DEPARTMENT OF CORRECTIONS AND REHABILITATION (5225)
JAIL PROJECT
SAN DIEGO COUNTY

Authority: Sections 15820.90 – 15820.907 of the Government Code

Consider:

- a) authorizing the execution of a Project Delivery and Construction Agreement between San Diego County, the Department of Corrections and Rehabilitation (CDCR), the Board of State and Community Corrections, and the Board;
- b) consenting to a Ground Lease from the County of San Diego to CDCR;
- c) consenting to an Easement Agreement for Grants of Access, Utilities, and Repairs from the County of San Diego to CDCR; and
- d) consenting to CDCR's grant of a Right of Entry for Construction and Operation to the County of San Diego.

CONSENT ITEMS

STAFF ANALYSIS ITEM—11

Department of Corrections and Rehabilitation
Jail Project
San Diego County

Action Requested

If approved, the requested action would authorize the execution of a Project Delivery and Construction Agreement and consent to CDCR's execution of a Ground Lease; an Easement Agreement for Grants of Access, Utilities, and Repairs; and a Right of Entry for Construction and Operation between CDCR and the County of San Diego.

Scope Description

This project is within scope. The project consists of the design and construction of a new women's detention facility to replace the existing Las Colinas Detention Facility. This new facility will be located on an approximately 45± acre site with approximately 476,000 square feet of building space and will provide housing, inmate services, and support for the San Diego

County female inmate population. The facility will be constructed in two phases. However, only Phase 1 will be funded through the AB 900 Local Jail Facility Construction Financing Program authorized in sections 15820.90-15820.907 of the Government Code (the "AB 900 Project"). Phase 2 will be funded solely with county funds. The AB 900 Project will not be dependent on the scope of work to be completed by the county in Phase 2 of their project to create a fully operational facility, if the county is unable to complete Phase 2.

The AB 900 Project will design and construct approximately 350,000 square feet of building space, including 832 minimum, medium, and maximum security beds in 16 housing units, as well as 32 mental health beds and 22 medical patient beds, intended to accommodate a range of health care needs. The Phase 2 county project will design and construct approximately 126,000 square feet of building space, including 384 additional beds in eight (8) housing units, for a total of 1,216 minimum, medium, and maximum security beds.

Phase 1 (The AB 900 Project)

The AB 900 Project will design and construct a total of eight (8) buildings to provide 16 housing units, including four (4) minimum security, eight (8) medium security, and four (4) high security units.

The AB 900 Project will also design and construct a medical services building consisting of four distinct components: a women's clinic, medical infirmary, psychiatric outpatient clinic and psychiatric security unit housing. The women's clinic and medical infirmary components will consist of a 22-bed clinic for sick inmates with an isolation area. A psychiatric outpatient clinic will include a waiting area for 20 inmates, private interview rooms, and offices for clinical staff. The psychiatric security unit housing component will function as an inpatient mental health/medical facility providing a total of 16 single occupancy rooms and 8 double occupancy rooms.

Additionally, the AB 900 Project will design and construct a visitation & administration building with spaces for staff services, inmate visitation services, and inmate release; an intake & food services building with an area for inmate receiving and transfer, as well as areas for receiving and preparing meals delivered from an off-site existing central kitchen and for inmate and staff dining; an education building with space for various inmate education services; a central plant building; and approximately 240 parking spaces for staff and visitor parking.

Phase 2 (Additional County Project)

The Phase 2 county project will design and construct four (4) minimum security housing buildings to provide eight (8) housing units, adding an additional 384 beds; a warehouse building for storage; an industry building with space for inmate programs and staff; three other buildings—religious services, library, and recreation—for inmate services; and approximately 120 parking spaces for staff and visitor parking.

Each phase of the project will also include, but is not limited to, all necessary electrical; plumbing; mechanical; heating, ventilation, and air conditioning; security; and fire protection systems; as well as all necessary appurtenances. Not included as part of the project, but necessary for construction of the project, the county will also design and construct a new public access road to provide access to the north of the project site.

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

The requested action would provide the Board's consent to a ground lease from the county to CDCR (Ground Lease), which is necessary for the county to be eligible to participate in the

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

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

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

Funding and Project Cost Verification

This project is within cost. On December 13, 2010, the Board took an action allocating \$100,000,000 of the \$445,771,000 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 Board of State and Community Corrections (BSCC) through a competitive public process. BSCC has conditionally awarded \$100,000,000 from this appropriation to San Diego 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.

When this project was established by the Board, there were a number of outstanding issues that prevented execution of a Project Delivery and Construction Agreement (PDCA) for this project. Those issues were related to the adequacy of the county's site for lease revenue bond financing and availability of county's matching funds for the AB 900 Project. Consequently, the Board authorized the execution of a Memorandum of Understanding (MOU) with San Diego County to allow the county to move forward with their project and retain eligibility for state financing conditioned on resolving all of the outstanding issues to the Board's satisfaction. The Board delegated the process of deeming these conditions satisfied to staff. All of the conditions identified in the MOU have been deemed satisfied per the terms of the MOU. This action would authorize the execution of a PDCA with the county, and the MOU will terminate per its terms upon execution of a PDCA.

On August 9, 2011, a new project cost estimate was approved in association with award of the construction contract. Subsequent to this action a revised project cost estimate was prepared by the county to recognize actual cost incurred to date and included county costs that were not previously included.

- \$271,726,000 total authorized project cost
- \$279,250,000 total estimated project cost
- \$100,000,000 state funds previously allocated: design-build contract
- \$171,726,000 local funds previously allocated: \$3,000,000 performance criteria and concept drawings and \$168,726,000 design-build (\$126,251,000 contract, \$22,625,000 contingency, \$500,000 A&E, \$13,850,000 other project costs, and \$5,500,000 agency retained items)
- \$ 7,524,000 local funds increase: \$9,800,000 acquisition/study and a decrease of \$2,276,000 construction (a decrease of \$4,751,000 contract, \$475,000 contingency, and \$4,000,000 agency retained items and an increase of \$200,000 A&E services and \$6,750,000 other project costs)

CEQA

Prior to the county Board of Supervisors approving this project, the City of Santee filed suit claiming an Environmental Impact Report (EIR) was necessary to support the Siting Agreement for the project. That lawsuit was filed on October 17, 2008. The trial court dismissed this case and the court of appeals upheld the trial court’s dismissal on June 7, 2010.

A Notice of Determination for the EIR was filed with the State Clearinghouse on June 24, 2009, and the statutes of limitation expired on July 24, 2009. A second Notice of Determination for an EIR addendum was filed with the State Clearinghouse on June 28, 2010, and the statutes of limitation expired on July 28, 2010.

Two lawsuits were filed challenging the adequacy of the final EIR; the City of Santee filed on July 22, 2009 and Ryan Companies U.S., Inc. filed on July 23, 2009. Both petitions were denied by the trial court. Judgment in favor of the county was entered on December 20, 2010. No appeals were filed.

Due Diligence

A Summary of Conditions letter for this project was completed on November 5, 2010, and two unresolved issues were identified. Those issues were set forth in a Memorandum of Understanding (MOU) between the county and the state as conditions that must be deemed satisfied in order for the county to be eligible for state financing. These conditions have since been deemed satisfied in accordance with the terms of the MOU. An update to the Summary of Conditions letter was completed on July 10, 2013, and no issues that would adversely affect the quiet use and enjoyment of the project were identified.

Project Schedule

Approve performance criteria and concept drawings	December 2010
Approval to proceed to bid	December 2010
Contract award approval	August 2011
Complete construction	January 2016

Staff Recommendation: Authorize the execution of a Project Delivery and Construction Agreement and consent to CDCR’s execution of a Ground Lease; an Easement Agreement for Grants of Access, Utilities, and Repairs; and a Right of Entry for Construction and Operation.

OTHER BUSINESS

No items under Other Business.

REPORTABLES

To be presented at the meeting.