



CALIFORNIA STATE
PUBLIC WORKS BOARD

ARNOLD SCHWARZENEGGER, GOVERNOR

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STATE PUBLIC WORKS BOARD

October 8, 2004

MINUTES

PRESENT:

Mr. Bob Campbell, Chief Counsel, Department of Finance
Mr. Mark Rayback, Department of Transportation
Mr. Rob Cook, Deputy Director, Department of General Services
Ms. Cindy Aronberg, Deputy Controller, State Controller's Office
Mr. Francisco Lujano, Director, Securities Management Division, State Treasurer's Office

ADVISORY MEMBER:

Director, Employment Development Department

LEGISLATIVE ADVISORS:

Assembly Member Darrell Steinberg
Assembly Member Wilma Chan
Assembly Member Lloyd E. Levine
Senator Betty Karnette
Senator Wesley Chesbro
Senator Gilbert Cedillo

STAFF PRESENT:

Karen Finn, Administrative Secretary, State Public Works Board
Rocel Bettencourt, Assistant Administrative Secretary, State Public Works Board
Michael Carter, Assistant Administrative Secretary, State Public Works Board
Deborah Cregger, Legal Counsel, State Public Works Board
Tamara Moss, Executive Secretary, State Public Works Board
Sarah Mangum, Budget Analyst, Department of Finance
Brian Dewey, Budget Analyst, Department of Finance
Debbie Dills, Budget Analyst, Department of Finance
Chris Lief, Budget Analyst, Department of Finance
Peter Brown, Budget Analyst, Department of Finance

SPEAKERS PRESENT

Emily Thurber, Sempervirens Funds

OTHERS PRESENT:

Sabrina Winn, Department of General Services-RES/PSB
Cynthia Spita, Department of Parks and Recreation
Warren Westrup, Department of Parks and Recreation
Rob Kane, Department of Parks and Recreation
David Vincent, Department of Parks and Recreation
Aaron Todd, State Treasurer's Office
Etsuko Stone, State Treasurer's Office
Jose Castillo, State Treasurer's Office
Lisa Paterno, California Department of Corrections
Jeff Shellits, Senator Sher's Office

Emily Thurber, Sempervirens Fund
John Gilliland, Sempervirens Fund

CALL TO ORDER AND ROLL CALL:

Mr. Campbell, Chairperson, Chief Counsel, Department of Finance at 10:00 am called the meeting to order. Ms. Karen Finn, Administrative Secretary for the State Public Works Board called the roll. A quorum was established.

APPROVAL OF MINUTES

Ms. Finn requested minutes from the September 10, 2004 meeting be pulled to allow staff to clarify an action.

BOND ISSUES:

Ms. Finn stated that there were six bond items.

Bond Item #1, Amendment to the Series I Indenture. If approved, the requested action would adopt a resolution authorizing the execution of the 52nd Supplemental Indenture to amend the Series I Indenture. Staff recommends approval and adoption of the resolution.

A motion was made by Mr. Lujano and Second by Ms. Aronberg to approve Bond Item #1.

Bond Item #1 was approved by a 5-0 vote.

Bond Item #2, Department of Forestry and Fire Protection, Various Projects (Ahwahnee FFS, Hesperia FFS, Lassen-Modoc Ranger Unit Headquarters, Squaw Valley FFS, Hammond FFS). This item would authorize the sale of lease revenue bonds for these projects and approve the forms of documents. The maximum par value of the bonds for this series would be no more than \$15 million and the maximum true interest cost would not exceed 6.5 percent. Staff recommends approval and adoption of the resolution.

A motion was made by Ms. Aronberg and second by Mr. Cook to approve Bond Item #2.

Bond Item #2 was approved by a 5-0 vote.

Bond Item #3, Department of Corrections, California Correctional Institution, Tehachapi, Wastewater Treatment Plant Renovation. The requested action would adopt a resolution authorizing the use of interim financing and the eventual sale of lease revenue bonds. Staff recommends approval and adoption of the resolution.

A motion was made by Mr. Rayback and second by Mr. Lujano to approve Bond Item #3.

Bond Item #3 was approved by a 5-0 vote.

Bond Item #4, Department of Education, State Special Schools, California School for the Deaf, Dormitory Replacement and Chiller. The requested action would adopt a resolution authorizing the use of interim financing and the eventual sale of lease revenue bonds. Staff recommends approval and adoption of the resolution.

A motion was made by Mr. Lujano and second by Mr. Rayback to approve Bond Item #4.

Bond Item #4 was approved by a 5-0 vote.

Bond Item #5, University of California, UC Davis Medial Center, Tower II-Phase 2 and 3. The requested action would authorize the sale of lease revenue bonds for the projects and approve the forms of documents that are in the resolution. The maximum par value of the bonds for this series would be no more than \$25 million and the maximum true interest cost would not exceed 6.5 percent. Staff recommends approval and adoption of the resolution.

A motion was made by Ms. Aronberg and second by Mr. Cook to approve Bind Item #5.

Bond Item #5 was approved by a 5-0 vote.

Bond Item #6, University of California, Various Projects (San Diego Campus-Engineering Building Unit 3B, San Francisco Campus-UCSF-Fresno Medical Education and Research Center, Santa Barbara Campus-Life Science Building, Santa Cruz Campus-Engineering Building). The requested action would authorize the sale of lease revenue bonds for the projects and approve the forms of documents that are specified in the resolution. The maximum par value fo the bonds for this series would be no more that \$175 million and the maximum true interest cost would not exceed 6.5 percent. Staff recommends approval and adoption of the resolution.

A motion was made by Mr. Cook and second by Mr. Rayback to approve Bond Item #6.

Bond Item #6 was approved by a 5-0 vote.

CONSENT CALENDAR:

Ms. Finn stated that at the request of the Department of Parks and Recreation we are pulling Item #8. In summary, the revised Consent Calendar covers Items #7 and #9 through #14 and proposes: three requests to recognize a scope change, four requests to approve preliminary plans, one request to approve local cost increase.

There were three 20-day letters for these items; **Item #7, California Conservation Corps**, Tahoe Base Center Relocation, El Dorado County, Relocate Facility—Scope Change. A 20-day letter was sent to the Legislature on September 20,2004, and approval was contingent upon the expiration of the notification period on October 10, 2004 without comment.

Item #10, Department of Developmental Services, Porterville Developmental Center, Porterville, 96-Bed Forensic Residential Expansion—Scope Change. A 20-day letter was sent to the Legislature on September 20, 2004, and approval was contingent upon the expiration of the notification period on October 10, 2004, without comment.

Item #11, Department of Mental Health and Department of Corrections, Energy Conservation Revenue Bond Projects—Scope Change. A 20-day letter was sent to the Legislature on September 20, 2004, and approval was contingent upon the expiration of the notification period on October 10, 2004, without comment.

Staff recommends approval of the revised Consent Calendar Items #7 and #9 through #14.

A motion was made by Mr. Rayback and Second by Mr. Cook to adopt the revised Consent Calendar Items #7, and #9 through #14.

The Consent Calendar was adopted by a 3-0 vote.

ACTION ITEMS:

Ms. Finn stated that there were two Action Items.

Action Item #15 is for the Department of General Services, California Institution for Men-Chino in San Bernardino County. If approved this action will approve the transfer of State surplus property consistent with the staff analysis and Government Code Section 14672.14.

A motion was made by Mr. Cook and Second by Mr. Rayback to approve Action Item #15.

Action Item #15 was approved by a 3-0 vote.

Action Item #16 is for the Department of Parks and Recreation, Castle Rock State Park, San Lorenzo River Redwoods, Phase II in Santa Cruz County. This acquisition of 1,069 acres is being added to the existing Castle Rock State Park. Because this is a significant new asset for the state and because this Board has requested that new acquisitions not result in any ongoing support maintenance costs staff has been presented a proposal by the department that will, if approved, it is with the understanding that the Department will not be providing public access to this new property because the Department does not have the resources to manage this property as a public park for the foreseeable future.

Ms. Emily Thurber of the Sempervirens Funds spoke in support of the acquisition and gave a history of the project.

A motion was made by Mr. Cook and Second by Mr. Rayback to approve Action Item #16.

Action Item #16 was approved by a 3-0 vote.

OTHER BUSINESS:

Ms. Finn stated there was no other business.

REPORTABLES:

Ms. Finn indicated that there were six reportable items that Finance staff had approved under the authority delegated by the Board.

NEXT MEETING:

Ms. Finn noted that the next regularly scheduled meeting would be Friday November 5, 2004 at 10:00 am at the State Capitol in Room 2040 and that there would be a Special Meeting on October 18, 2004 in the Cedar Room at the offices of the Department of Finance. Please note that the screening meeting for the November meeting will be held on October 20, 2004 at 2:00 pm

Having no further business, the meeting was adjourned at 10:20 am.

BOND ITEM

BOND ITEM – 1

AMENDMENT TO THE SERIES I INDENTURE

Adopt a resolution to:

1. Authorize execution of the 52nd Supplemental Indenture to amend the Series I Indenture.

APPROVED:

Vote 5/0

BOND ITEM

STAFF ANALYSIS – 1

Amendment to the Series I Indenture
(the Master Indenture)

Action Requested

The requested action will adopt a resolution authorizing execution of the 52nd Supplemental Indenture to amend the Series I Indenture.

Staff Comments

The State Public Works Board (SPWB) and the State Treasurer, as trustee, have entered into an indenture dated as of April 1, 1994, as amended by the 10th Supplemental Indenture dated as of September 1, 1996 and as further amended by the 42nd Supplemental Indenture dated as of October 1, 2002. This indenture, as amended, is referred to as the “Series I Indenture” or the “Master Indenture”. Such amendment is allowed pursuant to Section 7.01(b) of the Series I Indenture.

The requested amendment will change Section 3.01(b)(3)(i) of the Series I Indenture to permit bonds of the same maturity to bear interest at varying rates. Currently, Section 3.01(b)(3)(i) provides that all bonds “of like maturity shall be identical in all respects, except as to number and denomination.” The proposed amendment would provide that all bonds “of like maturity shall be identical in all respects, except as to *interest rate*, number and denomination.”

In recent years, underwriters have determined that in certain circumstances the ability to have bonds of a single maturity bear more than one interest rate can produce the lowest borrowing cost for the State. These are referred to as bifurcated or trifurcated maturities. This amendment will provide the added flexibility to offer bonds with bifurcated or trifurcated maturities to produce the lowest borrowing cost for the State.

Secondly, the requested amendment will change Section 5.10 to make it more accurately reflect the practice of the SPWB and the State Treasurer’s Office for verifying that the various appropriations for debt service are adequate for the payment of all rentals due by a Participating Agency in a given fiscal year.

Staff Recommendation: Adopt resolution.

BOND ITEM

BOND ITEM – 2

DEPARTMENT OF FORESTRY AND FIRE PROTECTION (3540) Various Forestry Projects

1. AHWAHNEE FOREST FIRE STATION
2. HESPERIA FOREST FIRE STATION
3. LASSEN-MODOC RANGER UNIT HEADQUARTERS
4. SQUAW VALLEY FOREST FIRE STATION
5. HAMMOND FOREST FIRE STATION

*Authority: Chapter 379/02 Item 3540-301-0660(19.5)
Chapter 106/01, Item 3540-301-0660, Schedules (3), (5), (8) and (10)*

a. Adopt a resolution to:

1. Authorize the sale of the State Public Works Board Lease Revenue Bonds– Department of Forestry and Fire Protection, 2004 Series G, Various Forestry Projects.
2. Approve a form of a Transfer Agreement for the Transfer of Jurisdiction of State Owned Real Property and authorize the execution and delivery of Transfer Agreements between the Department of Forestry and Fire Protection and the State Public Works Board.
3. Approve a form of a Facility Lease and authorize the execution and delivery of the Facility Leases between the Department of Forestry and Fire Protection and the State Public Works Board.
4. Approve the form of and authorize the execution of a Supplemental Indenture between the State Treasurer and the State Public Works Board.
5. Approve the form of and authorize the execution of a Continuing Disclosure Agreement.
6. Approve the form of and authorize the execution and delivery of a Preliminary Official Statement.
7. Approve and authorize the execution and delivery of an Official Statement.
8. Approve other related actions in connection with the authorization, issuance, sale, and delivery of said revenue bonds.

TOTAL ESTIMATED PROJECT COSTS:

\$9,618,389

**APPROVED:
Vote 5/0**

BOND ITEM

STAFF ANALYSIS – 2

Department of Forestry and Fire Protection
Various Forestry Projects

Action Requested

The requested action would authorize the sale of the lease revenue bonds for these projects.

Scope Description

These projects are within scope.

Ahwahnee Forest Fire Station, Replace Facility

The construction project consists of a 12-person barracks/messhall building (2,940 SF); a 3-bay apparatus building (1,999 SF) with one office; a fuel island; paving; and all necessary utilities.

Hesperia Forest Fire Station, Relocate Facility

This project constructs a new CDF three-engine forest fire station on a new site. The new station consists of the following: a 2,929 +/- sf wood-framed living quarters (12 beds); a 1,984 +/- sf wood-framed apparatus building (1 office, 3 bays); a 512 administration building, a 100 +/- fuel building (1 pump, 1-1000 gallon fuel tank); site work; utilities, and paving.

Lassen-Modoc Ranger Unit Headquarters, Replace Auto Shop And Apparatus Building

The Legislature has approved the funding for the construction of the project including the construction of a new 5-bay Auto Shop with attached bulldozer storage, restroom and tool storage area. CDF construction activities include: an Apparatus Building, site grading, paving, curbs, sidewalks, underground utilities and site demolition. These activities are Agency Retained Items.

Squaw Valley Forest Fire Station, Replace Facility

The authorized project provides for the construction of a standard 2-engine CDF forest fire station as detailed in the CDF Facility Guide. The project includes a 12-bed barracks/messhall building, a 3-bay apparatus building, a flammable storage building, and site work.

Hammond Forest Fire Station, Relocate Facility

This project constructs a new CDF two-engine/three bay Forest Fire Station on a new site. The new station consists of the following: a 2,929 +/- sf, wood-framed living quarters (12 beds); a 1,984 +/- sf, wood-framed apparatus building (1 office, 3 bays); a 512 +/- sf administration building, a 100 +/- sf fuel building (1 pump, 1-1,000 gal. fuel tank); site work; utilities, and paving.

Funding and Project Cost Verification

These projects are within cost.

Ahwahnee Forest Fire Station, Replace Facility

\$2,094,000 total estimated project cost
\$1,916,000 project costs being financed
\$178,000 project costs previously allocated

Hesperia Forest Fire Station, Relocate Facility

\$1,688,000 total estimated project cost
\$1,509,000 project costs being financed
\$179,000 project costs previously allocated

Lassen-Modoc Ranger Unit Headquarters, Replace Auto Shop And Apparatus Building

\$1,818,000 total estimated project cost
\$1,644,000 project costs being financed
\$174,000 project costs previously allocated

Squaw Valley Forest Fire Station, Replace Facility

\$2,098,000 total estimated project cost
\$1,837,000 project costs being financed
\$261,000 project costs previously allocated

Hammond Forest Fire Station, Relocate Facility

\$2,537,000 total estimated project cost
\$2,164,000 project costs being financed
\$373,000 project costs previously allocated

CEQA

CEQA requirements have been met for all projects.

Project Schedule

The project schedules are as follows:

Ahwahnee Forest Fire Station, Replace Facility

Complete construction: November 2004

Hesperia Forest Fire Station, Relocate Facility

Complete construction: November 2004

Lassen-Modoc Ranger Unit Headquarters, Replace Auto Shop And Apparatus Building

Complete construction: June 2003

Squaw Valley Forest Fire Station, Replace Facility

Complete construction: December 2004

Hammond Forest Fire Station, Relocate Facility

Complete construction: October 2004

Staff Recommendation: Adopt the resolution to authorize the sale of lease-revenue bonds, approve the form of and authorize the execution of a Transfer Agreement, Facility Lease, Supplemental Indenture, Continuing Disclosure Agreement, Preliminary Official Statement, and Official Statement, and approve other related actions in connection with the authorization, issuance, sale, and delivery of said revenue bonds.

BOND ITEM

BOND ITEM – 3

DEPARTMENT OF CORRECTIONS (5240)
CALIFORNIA CORRECTIONAL INSTITUTION, TEHACHAPI, KERN COUNTY
Wastewater Treatment Plant Renovation

Authority: Chapter 324/98, Item 5240-301-0001 (2.2)
Chapter 50/99, Item 5240-301-0001 (2)
Chapter 157/03, Item 5240-301-0660 (1)

Adopt a resolution to:

1. Authorize the use of interim financing to be paid from the Public Building Construction Fund from the proceeds from the sale of the bond.
2. Approve the form of and authorize the execution of the Construction Agreement between the Department of General Services and the State Public Works Board with the consent of the Department of Corrections.
3. Approve the form of and authorize the execution of a Site Lease between the Department of Corrections and the State Public Works Board.
4. Approve the form of and authorize the execution of a Facility Lease between the Department of Corrections and the State Public Works Board.
5. Authorize the sale of the State Public Works Board Lease Revenue Bonds.

TOTAL ESTIMATED PROJECT COSTS:

\$15,743,000

APPROVED:
Vote 5/0

BOND ITEM

STAFF ANALYSIS – 3

Department of Corrections
California Correctional Institution, Kern County
Wastewater Treatment Plant Renovation

Action Requested

The requested action will adopt a resolution authorizing the use interim financing and the sale of lease revenue bonds.

Scope Description

This project is within scope. This project consists of replacing the existing primary treatment headworks and renovating the secondary treatment aeration system, improving the disposal system to provide additional storage area, and a new disinfection system to export treated effluent to adjacent farming operations. Design and subsequent inclusion of tertiary holding pond liners is within the intended scope of the project.

Funding and Cost Verification

This project is within cost.

\$16,563,000 total project costs

\$820,000 project costs previously allocated: preliminary plans \$336,000; working drawings \$484,000

\$15,743,000 project costs to be allocated: construction \$15,743,000 (contract \$12,836,000; contingency \$899,000; project administration \$1,800,000; and agency retained \$208,000)

CEQA

A Notice of Exemption/Determination was filed with the State Clearinghouse on March 15, 1999, and the waiting period expired on April 19, 1999, with no public comment.

Project Schedule

The project schedule is as follows:

Complete construction: September 2006

Due Diligence

Due Diligence is anticipated to be completed late October 2004.

Staff Recommendation: Adopt resolution.

BOND ITEM

BOND ITEM – 4

**DEPARTMENT OF EDUCATION, STATE SPECIAL SCHOOLS (6110)
CALIFORNIA SCHOOL FOR THE DEAF,
RIVERSIDE, RIVERSIDE COUNTY**
Dormitory Replacement and Chiller

Authority: Chapter 208/04, Item 6110-301-0660 (1)

Adopt a resolution to:

1. Authorize the use of interim financing to be repaid from the Public Buildings Construction Fund proceeds generated from the sale of bonds.
2. Authorize the execution of the Construction Agreement between the Department of General Services and the State Public Works Board with consent of the Department of Education.
3. Approve the form of and authorize the execution of a Site Lease between the Department of Education and the State Public Works Board.
4. Approve the form of and authorize the execution of a Facility Lease between the Department of Education and the State Public Works Board.
5. Authorize the sale of the State Public Works Board Lease Revenue Bonds.

TOTAL ESTIMATED PROJECT COSTS:

\$69,948,000

APPROVED:

Vote 5/0

BOND ITEM

STAFF ANALYSIS – 4

Department of Education, State Special Schools
California School for the Deaf, Riverside
Dormitory Replacement and Campus Chiller

Action Requested

The requested action will adopt a resolution authorizing the use of interim financing and the sale of lease revenue bonds.

Scope Description

This project is within scope. This project will construct new dormitory buildings and a central chiller plant for the entire campus. Work includes all required utilities to support these new buildings. In addition, chilled water lines will be installed to all new and existing campus buildings.

Funding and Cost Verification

This project is within cost.

\$69,948,000 total estimated project costs

\$69,948,000 project costs to be allocated: preliminary plans \$1,934,000, working drawings \$2,409,000, construction \$64,249,000 (at CCCI 4100 \$55,097,000 contract, \$2,755,000 contingency, \$6,397,000 A&E), and equipment/agency retained items \$1,356,000

CEQA

The CEQA documentation will be filed during the preliminary plan phase.

Due Diligence

Due diligence work will be performed during the planning phases of this project.

Project Schedule

The project schedule is as follows:

| | |
|----------------------------|---------------|
| Approve Preliminary Plans: | March 2005 |
| Start Construction: | May 2006 |
| Complete project: | December 2010 |

Staff Recommendation: Adopt resolution.

BOND ITEM

BOND ITEM – 5

UNIVERSITY OF CALIFORNIA (6440)
UC DAVIS MEDICAL CENTER, SACRAMENTO COUNTY
Tower II, Phases 2 & 3

Authority: Government Code Sections 15820.80 and following

a. Adopt a resolution to:

1. Authorize the sale of the State Public Works Board Lease Revenue Bonds– The Regents of the University of California, 2004 Series A, UC Davis Medical Center Tower II.
2. Approve the form of and authorize the execution of an Indenture, between the State Treasurer and the State Public Works Board.
3. Approve the form of and authorize execution of a 1st Supplemental Indenture to Incorporate the Bonds into the Series I Indenture Pooled Reserve Fund.
4. Approve the form of and authorize the execution of a Continuing Disclosure Agreement.
5. Approve the form and authorize the execution and delivery of a Preliminary Official Statement.
6. Approve and authorize the execution and delivery of an Official Statement.
7. Approve other related actions in connection with the authorization, issuance, sale, and delivery of said revenue bonds.

TOTAL ESTIMATED PROJECT COSTS:

\$16,986,000

APPROVED:

Vote 5/0

BOND ITEM

STAFF ANALYSIS – 5

University of California
UC Davis Medical Center, Tower II, Phases 2 and 3

Action Requested

The requested action would authorize the sale of the 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 an indenture, a supplemental indenture to incorporate the bonds into the master reserve, a continuing disclosure agreement, a preliminary official statement, and an official statement.

Scope Description

This project is within scope. This project constructs interior improvements and mechanical systems on four shelled floors of the University of California Medical Center (UCDMC) Tower II building. Tower II Phase 2 constructs facilities for the Obstetrics Program on the third floor and adult medical/surgical patients on the fourteenth floor. Tower II Phase 3 constructs facilities for Neonatal Intensive Care Unit (NICU), Continuing Care Nursery, and Blood Gas Lab on the fifth floor and for medical/surgical ENT patients on the twelfth floor. Mechanical systems and equipment will be installed on the ninth floor.

Funding and Project Cost Verification

This project is within cost. The State Public Works Board is authorized to issue \$600 million of lease revenue bonds in Government Code Sections 15820.80 et.seq. (Chapter 71/00) to assist in financing various teaching hospital seismic projects.

The Davis campus has been allocated \$120 million of the \$600 million lease revenue bonds authorized. \$16,986,000 of the \$120 million allocated to the Davis campus has been authorized for the UC Davis Medical Center Tower II, Phase 2 and Phase 3 projects.

Tower II, Phase 2

\$23,431,000 total estimated project cost

\$9,145,000 project costs from lease-revenue financing

\$5,000,000 project costs from the General Fund

\$9,286,000 project costs from campus hospital reserve funds

Tower II, Phase 3

\$25,821,000 total estimated project cost

\$7,841,000 project costs from lease-revenue financing

\$17,980,000 project costs from campus hospital reserve funds

CEQA

The University certifies that the project is in compliance with CEQA.

Project Schedule

The project schedules are as follows:

Tower II, Phase 2

Complete Construction: September 2002

Tower II, Phase 3

Complete Construction: June 2005

Staff Comments

Pursuant to Government Code Section 15820.86, which allows the property securing the financing to be different than the property improved by the proceeds of the bonds, two existing UC Davis Medical Center buildings are to be leased to the Board from The Regents pursuant to the Site Leases, and leased back to The Regents pursuant to a Facility Lease (know as asset transfer) rather than the Tower II building. The Board's approval of the forms of leases on June 14, 2002 triggered a 60-day validation period, which elapsed on August 13, 2002. These bonds will be incorporated into the master indenture and the master reserve is being used instead of establishing a separate reserve for these bonds.

Staff Recommendation: Adopt resolution.

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BOND ITEM

BOND ITEM – 6

**UNIVERSITY OF CALIFORNIA (6440)
SAN DIEGO COUNTY, SAN DIEGO CAMPUS
ENGINEERING BUILDING UNIT 3B**

Authority: Chapter 33/02, Section 34

**UNIVERSITY OF CALIFORNIA (6440)
FRESNO COUNTY, SAN FRANCISCO CAMPUS
UCSF-FRESNO MEDICAL EDUCATION AND RESEARCH CENTER**

Authority: Chapter 106/01, Item 6440-301-0660(0.5)

**UNIVERSITY OF CALIFORNIA (6440)
SANTA BARBARA COUNTY, SANTA BARBARA CAMPUS
LIFE SCIENCES BUILDING**

Authority: Chapter 33/02, Section 34

**UNIVERSITY OF CALIFORNIA (6440)
SANTA CRUZ COUNTY, SANTA CRUZ CAMPUS
ENGINEERING BUILDING**

*Authority: Chapter 33/02, Section 34
Chapter 3/02, Third Extraordinary Session Section 2*

**APPROVED:
Vote 5/0**

Adopt a resolution to:

1. Authorize the sale of the State Public Works Board Lease Revenue Bonds—University of California, 2004 Series F, Various University of California Projects.
2. Approve the form of and authorize the execution of a Supplemental Indenture or Indenture, as necessary, between the State Treasurer and the State Public Works Board.
3. Approve the form of Site Lease and authorize the execution of Site Leases between the University of California and the State Public Works Board.
4. Approve the form of a Facility Leases and authorize the execution of Facility Leases between the University of California and the State Public Works Board.
5. Approve the form of and authorize the execution of a Continuing Disclosure Agreement.
6. Approve and authorize the execution and delivery of a Preliminary Official Statement.
7. Approve and authorize the execution and delivery of an Official Statement.
8. Approve other related actions in connection with the authorization, issuance, sale, and delivery of said revenue bonds.

TOTAL ESTIMATED PROJECT COSTS:

\$138,412,000

BOND ITEM

STAFF ANALYSIS – 6

University of California
Various UC Projects

Action Requested

The requested action would authorize the sale of the lease revenue bonds and other related actions in connection with the issuance, sale and delivery of said revenue bonds, including the approval of the forms of and authorizing the execution and delivery of a supplemental indenture, site leases, facility leases, a continuing disclosure agreement, a preliminary official statement and an official statement.

Scope Description

These projects are within scope.

San Diego Campus Engineering Building Unit 3B

This project constructs and equips a new building to accommodate Computer Science and Engineering including research laboratories, faculty offices, administration support, and undergraduate laboratories; and Warren College Provost including the Warren College Writing Program and associated offices, support and resource areas.

San Francisco Campus UCSF-Fresno Medical Education and Research Center

This project constructs and equips a new facility at the Community Regional Medical Center in Fresno to house UCSF-Fresno programs to provide modern instructional space for medical student, resident and physician education, replacing academic teaching space lost due to the scheduled closure of the University Medical Center (the former County Hospital). The project also consolidates UCSF-Fresno programs from several other sites in Fresno.

Santa Barbara Campus Life Sciences Building

This project constructs a new building providing research labs and support space, teaching labs, lecture hall and faculty and administrative office space for the department of Ecology, Evolution and Marine Biology (EEMB) and the department of Molecular, Cellular and Developmental Biology (MCDB) in Biological Sciences.

Santa Cruz Campus Engineering Building

This project constructs a facility for engineering, economics, and general assignment classroom space as well as space for two of the new California Institutes for Science and Innovation (Cal ISI) the Institute for Bioengineering, Biotechnology and Quantitative Biomedical Research (QB3) and the Center for Information Technology Research in the Interest of Society (CITRIS).

Funding and Project Cost Verification

These projects are within cost.

San Diego Campus Engineering Building Unit 3B

\$41,237,000 total estimated project cost
\$37,369,000 project costs from lease-revenue financing
\$3,868,000 project costs from General Obligation Bond Funds

San Francisco Campus UCSF-Fresno Medical Education and Research Center

\$24,701,000 total estimated project cost
\$23,651,000 project costs from lease-revenue financing
\$1,000,000 project costs from the General Fund
\$50,000 project costs from campus funds

Santa Barbara Campus Life Sciences Building

\$32,379,000 total estimated project cost
\$26,904,000 project costs from lease-revenue financing
\$2,318,000 project costs from General Obligation Bond funds
\$3,157,000 project costs from campus funds

Santa Cruz Campus Engineering Building

\$61,527,000 total estimated project cost
\$50,448,000 project costs from lease-revenue financing
\$1,235,000 project costs from the General Fund
\$3,795,000 project costs from General Obligation Bond funds
\$6,049,000 project costs from campus funds

CEQA

The University certifies that CEQA requirements have been met for the above referenced projects.

Project Schedule

The project schedules are as follows:

San Diego Campus Engineering Building Unit 3B

Complete construction: February 2005

San Francisco Campus UCSF-Fresno Medical Education and Research Center

Complete construction: October 2004

Santa Barbara Campus Life Sciences Building

Complete construction: December 2004

Santa Cruz Campus Engineering Building

Complete construction: August 2004 (substantially complete)

Staff Recommendation: Adopt resolution.

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CONSENT ITEM

CONSENT ITEM – 7

CALIFORNIA CONSERVATION CORPS (3340)
TAHOE BASE CENTER RELOCATION, EL DORADO COUNTY
Relocate Facility

Authority: Chapter 157/03, Item 3340-301-0660 (1)

a. Approve scope change

APPROVED:
Vote 3/0

CONSENT ITEM

STAFF ANALYSIS ITEM – 7

California Conservation Corps (CCC)
Tahoe Base Center Relocation, El Dorado County
Relocate Facility

Action Requested

The requested action will approve a scope change for this project.

Scope Description

This project is not within scope. The California Conservation Corps (CCC) has requested a scope change to complete the acquisition and development of an 88-crewmember CCC residential facility in the Tahoe Basin. The approved project scope authorizes the acquisition of approximately 15 to 18 acres in the Tahoe Basin and the development of a new 88-corpsmember California Conservation Corps (CCC) residential facility. The approved facility consists of the following five buildings and associated improvements: a residence building (approximately 28,428 sq. ft.) which will include dormitories, kitchen/dining area, education and recreation areas; an administration building (3,000 sq. ft.); a multipurpose building (approximately 5,320 sq. ft.); a warehouse facility (approximately 13,300 sq. ft.); a hazardous materials storage building (150 sq. ft.); and approximately 20,000 sq. ft. of paved service area and associated site developments.

After numerous unsuccessful attempts by the Department of General Services (DGS) to locate a site that could accommodate the project as currently authorized, it was determined that the amount of land required for the new construction of this type of facility is not available in the Tahoe Basin.

An alternative was subsequently identified that consists of two adjacent parcels that include a partially renovated residential building, unoccupied retail space, and an old California Highway Patrol facility. Based on preliminary studies, the existing structures can be renovated and/or replaced to accommodate the programmatic needs of the CCC. Therefore, the CCC has requested a change in scope to include the renovation of existing structures and the flexibility to combine one or more programmatic areas in one or more buildings as the site allows. It should be noted that the programmatic functions and original space allocations for each programmatic area approved by the Legislature would not change as a result of this request. A 20-day letter was sent to the Legislature on September 20, 2004 and the notification period will expire on October 10, 2004.

Funding and Cost Verification

This project is within cost. Chapter 379, Budget Act of 2003, Line Item 3340-301-0660, Schedule (1), provides \$19,571,000 for the acquisition, preliminary plans, working drawings, and construction phases of this project. While preliminary estimates suggest that the cost of this alternative will be significantly less than the construction of entirely new facilities, the final cost of this alternative is still unknown. Final land use and permitting determinations by the Tahoe Regional Planning Agency (TRPA) and the resolution of other property issues, to be resolved during the acquisition phase, will ultimately determine the cost of this alternative. A revised cost estimate should be available before acquisition approval is requested.

CEQA

The CEQA requirements will be addressed during the acquisition phase.

Project Schedule

The project schedule is as follows:

| | |
|----------------------------|--------------|
| Complete Acquisition: | January 2005 |
| Approve Preliminary Plans: | July 2005 |
| Complete Construction: | March 2007 |

Staff Recommendation: Approve scope change contingent on the 20-day notification period expiring without comment on October 10, 2004.

CONSENT ITEM

CONSENT ITEM – 8

DEPARTMENT OF GENERAL SERVICES (1760)
DEPARTMENT OF PARKS AND RECREATION (3790)
KENNETH HAHN STATE RECREATION AREA, STOCKER STREET
LOS ANGELES COUNTY
DPR Parcel Number A37403 and A37404, DGS Parcel Number 10259

Authority: Chapter 106/01, Item 3790-302-0005 (7)

a. Authorize acquisition

PULLED.

CONSENT ITEM

STAFF ANALYSIS – 8

Department of General Services
Department of Parks and Recreation
Kenneth Hahn State Recreation Area, Stocker Street

Action Requested

The requested action will authorize acquisition for this project.

Scope Description

This action is within scope. The Legislature approved funding for the purchase of additions to the Kenneth Hahn State Recreation Area, known as the Stocker Street Trail. Subsequent legislation clarified that any remaining funds could also be used for the development and planning of the parcels upon completion of the acquisition. This project consists of the acquisition of five parcels of open space totaling 32.86 acres of land located along Stocker Street, in the Baldwin Hills. Depending on the availability of funding, this project may also include some development of the parcels. This request will authorize site selection of the remaining two of five parcels. The two parcels combined consist of approximately 17 acres. This acquisition meets the Department's acquisition guidelines for "Inholdings and Adjacent Properties," as they are situated between previously acquired parcels along Stocker Street.

Funding and Cost Verification

This project is within cost. Chapter 106, Statutes of 2001, Item 3790-302-0005(7) as modified through Chapter 400, Statutes of 2001, and Chapter 636, Statutes of 2002, provides funding for this acquisition, acquisition overhead costs, planning, preliminary plans, working drawings, equipment and construction, including, but not limited to, trail development and improvement and habitat restoration of property along Stocker Street. Funding for these one-time costs will be provided from the remaining balance of unencumbered funds in this appropriation. The property can be acquired within the funds available and in accordance with Legislative intent.

CEQA

A Notice of Exemption was filed with the State Clearinghouse on February 13, 2002, and the waiting period expired on March 20, 2002.

Project Schedule

The project schedule is as follows:

The anticipated close of escrow is November 2004.

Condition of Property

Department of General Services (DGS) Environmental Services Section (ESS) staff conducted a site visit on August 6, 2004, of the proposed Kenneth Hahn, Stocker Street parcels (Valley Ridge, LLC) to be acquired by the Department of Parks and Recreation. No due diligence issues were noted that would prevent the site acquisition. ESS staff concluded that a formal Preliminary Site Assessment, Phase I, was not necessary for acquisition based on the following findings: (1) the site remains undeveloped; (2) there are no surface/subsurface improvements on the property that would require inspection; (3) no observation was noted of hazardous material use, solid waste, storage of these wastes, or surface drainage; 4) properties adjacent to the site include a vacant parcel and a residential neighborhood; and, 5) the parcel does not contain improvements (industrial uses, fuel storage, waste disposal, unknown debris, etc.) that would raise a concern for migration of hazardous materials.

Other:

- The purchase price shall not exceed estimated fair market value as determined by a DGS approved appraisal.
- DPR is not aware of any lawsuits pending concerning the property. The property acquisition agreement will require the delivery of title to the property free and clear of any mortgages or liens.
- There is no implied dedication involved with this project.
- The property is vacant and unimproved.
- There is no relocation assistance involved with this project.
- One-time costs for trail development and initial improvements will be funded using existing one-time funds appropriated for this purpose.
- The Department plans on using volunteers and a minimal amount of district funds to accomplish ongoing maintenance, including brush clearing and sign/trail maintenance.
- The Department has certified that this acquisition will not necessitate a future General Fund augmentation and will not negatively impact the management of existing Department lands.
- Site selection for this project was delegated and approved on September 22, 2004.

Staff Recommendation: Authorize acquisition.

CONSENT ITEM

CONSENT ITEM – 9

DEPARTMENT OF PARKS AND RECREATION (3790)
PRAIRIE CITY STATE VEHICULAR RECREATION AREA, SACRAMENTO COUNTY
Improvement Project

Authority: Chapter 157/03, Item 3790-301-0263 (1)
Chapter 208/04, Item 3790-301-0263 (1)

a. Approve preliminary plans

APPROVED:
Vote 3/0

CONSENT ITEM

STAFF ANALYSIS ITEM – 9

Department of Parks and Recreation
Prairie City State Vehicular Recreation Area, Sacramento County
Improvement Project

Action Requested

The requested action will approve preliminary plans for this project.

Scope Description

This project is within scope. This project will provide new and improved off highway vehicle (OHV) facilities at the Prairie City State Vehicular Recreation Area. Improvements are generally located in three areas: OHV Environmental Training Center, Hang Town Track Area, and Practice Track and Staging Area. Improvements include permanent buildings, new restrooms, new and improved OHV tracks and obstacle courses, infrastructure, roadwork, paving and landscaping.

Funding and Cost Verification

This project is not within cost. Based on completed preliminary plans, it is estimated that a total of \$6,716,000 is needed for the project, \$29,000 over the total project authorization. This is equal to 0.5 percent of the construction amount or 0.4 percent of total project cost.

This increase is the net result of two main factors. Electrical utility fees were not included the budget estimate but are estimated to cost \$262,000 based on discussions with the Sacramento Municipal Utility District during the preliminary plan phase. The utility fee increase is offset by the deletion of an undersized track night-lighting system which was originally budgeted at \$240,000. Actual requirements based on site conditions and safety considerations would have resulted in a much larger system costing over \$1.2 million, which would have raised both scope and cost issues.

Additional cost savings measures should be considered during the working drawings phase in an attempt to bring this project within cost. Therefore, recognizing a deficit at this stage of the project would be pre-mature.

| | |
|-------------|--|
| \$6,716,000 | total estimated project costs |
| \$6,687,000 | total authorized project costs |
| \$168,000 | project costs previously allocated: preliminary plans |
| \$6,519,000 | project costs to be allocated: working drawings \$393,000, construction \$6,126,000 (\$5,211,000 contract, \$261,000 contingency, \$599,000 A&E costs \$55,000 agency retained items) at CCCI 4100 |
| \$29,000 | anticipated deficit: construction \$29,000 (\$28,000 contract, \$1,000 contingency) |

CEQA

A Notice of Exemption was filed with the State Clearinghouse on January 14, 2004 and the waiting period expired on February 17, 2004.

Project Schedule

The project schedule is as follows:

Complete construction: March 2006

Staff Recommendation: Approve preliminary plans and the release of working drawing funds.

CONSENT ITEM

CONSENT ITEM – 10

DEPARTMENT OF DEVELOPMENTAL SERVICES (4300)
PORTERVILLE DEVELOPMENT CENTER, PORTERVILLE, TULARE COUNTY
96-Bed Forensic Residential Expansion

Authority: Chapter 157/03, Item 4300-301-0660 (2)

a. Approve scope change

APPROVED:
Vote 3/0

CONSENT ITEM

STAFF ANALYSIS ITEM – 10

Department of Developmental Services
Porterville Development Center, Porterville, Tulare County
96-Bed Forensic Residential Expansion

Action Requested

The requested action will approve a scope change consistent with staff analysis.

Scope Description

This project is not within scope. The project scope requires the replacement of the three guard towers with an underground security detection system. The scope change is consistent with provisional language in the 2003 Budget Act requiring DDS to make “every effort to secure federal certification of the forensic facility at the PDC.”

In addition to the security system, the project scope consists of a 96-bed forensic residential unit expansion and infrastructure for future residential units. Project scope includes, six 9,316 sf forensic residential units totaling 55,896 sf and a protective services facility (10,000 sf). Site improvements include a new water well with 500,000 gallon storage tank, perimeter fencing (14,000 lf), new sallyports, storm drainage retention ponds, and paved roads for access and perimeter security (11,400 lf). An emergency generator building (900 sf) with generator will be constructed. Several small existing structures will be demolished. A 20-day letter was sent to the Legislature on September 20, 2004 and the notification period will expire on October 10, 2004.

Funding and Project Cost Verification

This project is within cost. This scope change will result in no change to project costs, but will provide a support cost avoidance of approximately \$700,000 annually in staffing costs that would have been required to staff the towers.

\$56,824,000 total estimated project costs

\$6,064,000 Project costs previously allocated: preliminary plans \$2,659,000; working drawings \$3,405,000

\$50,760,000 Project costs to be allocated: construction \$50,760,000 (\$43,405,000 contract, \$2,170,000 contingency, \$2,418,000 A&E services and \$2,767,000 other project costs).

CEQA

A Notice of Determination was filed with the State Clearinghouse on June 4, 2004. The waiting period for litigation expired on July 4, 2004.

Project Schedule

The project schedule is as follows:

| | |
|----------------------------|-----------|
| Approve preliminary plans: | July 2004 |
| Approve working drawings: | May 2005 |
| Complete construction: | July 2007 |

Due Diligence

Due Diligence is anticipated to be completed by April 2005.

Staff Recommendation: Approve scope change contingent on the 20-day notification period expiring without comment on October 10, 2004.

CONSENT ITEM

CONSENT ITEM – 11

DEPARTMENT OF MENTAL HEALTH (4440)
DEPARTMENT OF CORRECTIONS (5420)
Energy Conservation Revenue Bond Projects

Authority: Government Code Sections 15814.10 – 15814.25

a. Approve scope change

**APPROVED:
Vote 3/0**

CONSENT ITEM

STAFF ANALYSIS ITEM – 11

Department of Mental Health, Metropolitan State Hospital
Energy Service Contract No. 109238A
Department of Corrections, Chuckawalla Valley State Prison
Energy Service Contract No. 109163A
Energy Conservation Revenue Bond Program

Action Requested

The requested action will approve a scope change for these projects.

Program Description

Section 15814.10 et seq. of the Government Code authorizes the Board to issue Energy Conservation Revenue Bonds to fund Energy Conservation Measures (ECMs) at State administered facilities and enter into Energy Service Contracts (ESCs) with State agencies to implement these projects. These ESCs provide the scope and cost for these energy projects, therefore any change in the scope or cost of the projects built pursuant to these contracts must be approved by the Board.

Scope Description

These projects are not within scope.

Energy Service Contract No. 109238A—On November 9, 2001 the Board entered into an ESC with the Department of Mental Health (DMH) to construct this project at a cost of \$3,891,095. As approved by the Board, this project scope consists of the following ECMs: 1) Lighting Retrofit, 2) High Efficiency Motors for Air Handling Units, 3) Energy Management System, and 4) Irrigation Controls for Reclaimed Water.

The Board staff recently learned that during project construction the fourth ECM, Irrigation Controls for Reclaimed Water, was not built as authorized and instead improvements to the heating, ventilation and air conditioning system were installed. As a result this ECM should be eliminated from the project scope. Eliminating this ECM will have the affect of reducing the project cost by \$247,243. DMH is responsible for repaying this portion of the PMIA loan for this project from their support budget. A 20-day letter was sent to the Legislature on September 20, 2004 and the notification period will expire on October 10, 2004.

Energy Service Contract No. 109163A—On December 20, 2002, the Board entered into an ESC with the Department of Corrections (CDC) to construct this project at a cost of \$3,297,191. As approved by the Board, this project scope consists of the following ECMs: 1) Lighting Retrofit, 2) Water Conservation Measures, 3) Retrofit Walk-In Refrigerator and Freezer Equipment, 4) Energy Management System, and 5) Variable Frequency Drive on Reverse Osmosis Cooling Tower.

The Board staff recently learned that during project construction the third ECM, Retrofit Walk-In Refrigerator and Freezer Equipment, was not built as authorized and instead improvements to the aeration pond motors were installed. As a result this ECM should be eliminated from the project scope. Eliminating this ECM will have the affect of reducing the project cost by \$176,870. CDC is responsible for repaying this portion of the PMIA loan for this project from their support budget. A 20-day letter was sent to the Legislature on September 20, 2004 and the notification period will expire on October 10, 2004.

Funding and Cost Verification

The total cost of the DMH energy project at Metropolitan State Hospital authorized by ESC No. 109238A is \$3,891,095. This action will reduce the authorized amount by \$247,243, leaving a total authorized project cost of \$3,643,852.

The total cost of the CDC energy project at Chuckawalla Valley State Prison authorized by ESC No. 109163A is \$3,297,191. This action will reduce the authorized amount by \$176,870, leaving a total authorized project cost of \$3,120,321.

Project Schedule

The final ECM, an Energy Management System, at the DMH energy project at Metropolitan State Hospital authorized by ESC No. 109238A is scheduled to be complete on October 28, 2004. All other ECMs for this project are complete.

The CDC energy project at Chuckawalla Valley State Prison authorized by ESC No. 109163A is completed.

Staff Comments

When these ESCs were originally approved, the Board authorized the sale of energy conservation revenue bonds to fund the project construction costs. It has since been determined that there are significant legal issues that prohibit the sale of these bonds. Therefore, it is our intent to seek alternate funding for these projects and it is not necessary to amend the ESCs to reflect this scope change.

Staff Recommendation: Approve scope change contingent on the 20-day notification period expiring without comment on October 10, 2004.

CONSENT ITEM

CONSENT ITEM – 12

UNIVERSITY OF CALIFORNIA (6440)
SANTA CRUZ CAMPUS, SANTA CRUZ COUNTY
Seismic Corrections, Phase 3

Authority: Chapter 208/04, Item 6440-301-6041 (18)

a. Approve preliminary plans

APPROVED:
Vote 3/0

CONSENT ITEM

STAFF ANALYSIS ITEM – 12

University of California, Santa Cruz
Seismic Corrections, Phase 3

Action Requested

The requested action will approve preliminary plans for this project.

Scope Description

This project is within scope. The Seismic Corrections, Phase 3 project will correct four structures, Hahn Student Services, Stevenson Academic, Cookhouse, and Barn H, that are rated seismically “Poor” and represent serious life-safety hazards. Mandatory code upgrades will also be completed.

Funding and Project Cost Verification

This project is within cost.

\$7,650,000 total estimated project costs

\$351,000 project costs previously allocated: preliminary plans -- \$351,000 (Campus funds)

\$7,299,000 project costs to be allocated: working drawings -- \$425,000 (State funds),
construction -- \$6,874,000 (State funds)

CEQA

The University certifies that the project is in compliance with the requirements of CEQA.

Due Diligence

University of California (UC), on behalf of the Regents of the UC, is vested with the authority for management of the property for the benefit of the university and acknowledges that they have full responsibility for reviewing and clearing due diligence title issues for general obligation bond funded projects.

Project Schedule

The project schedule is as follows:

Approve working drawings: March 2005

Complete construction: May 2007

Staff Recommendation: Approve preliminary plans.

CONSENT ITEM

CONSENT ITEM – 13

CALIFORNIA COMMUNITY COLLEGES (6870)
CABRILLO COMMUNITY COLLEGE DISTRICT
CABRILLO COLLEGE, SANTA CRUZ COUNTY
Visual and Performing Arts

Authority: Chapter 208/04, Item 6870-301-6041 (3)

a. Approve preliminary plans

APPROVED:
Vote 3/0

CONSENT ITEM

STAFF ANALYSIS ITEM – 13

Cabrillo Community College District
Cabrillo College, Santa Cruz County
Visual and Performing Arts

Action Requested

The requested action will approve preliminary plans for this project.

Scope Description

This project is within scope. This project will consist of 84,020 assignable square foot (asf) Visual and Performing Arts Complex. The project will be located, in the southern portion of the campus and will be one of the main gateway entrances to the college. The space includes 42,147 asf of laboratory, 5,193 asf office, 7,213 asf AV/TV, and 29,467 asf of performing art space.

Funding and Project Cost Verification

The project is within cost.

\$42,985,000 total estimated project costs

\$1,341,000 local project costs previously allocated: preliminary plans \$1,341,000

\$20,151,000 local funds to be allocated: working drawings \$1,487,000, construction \$17,529,000 (\$15,912,000 contracts; \$796,000 contingency; \$821,000 construction management, administration, testing and inspection) at CCI 4100 and equipment \$1,135,000 at EPI 2564

\$21,493,000 state funds to be allocated: construction \$20,357,000 (\$18,479,000 contracts; \$924,000 contingency; \$954,000 construction management, administration, testing and inspection) at CCI 4100 and equipment \$1,136,000 at EPI 2564

CEQA

An EIR was filed with the State Clearinghouse (#99072117) on January 26, 2000 and the response period has expired.

Due Diligence

Community college districts are local entities and the State does not have title to their real property, hence districts acknowledge that they have full responsibility for clearing due diligence issues for general obligation bond projects.

Project Schedule

The project schedule is as follows:

Complete working drawings: December 2004

Award contract: February 2005

Complete construction: July 2007

Staff Recommendation: Approve preliminary plans.

CONSENT ITEM

CONSENT ITEM – 14

CALIFORNIA COMMUNITY COLLEGES (6870)
SANTA CLARITA COMMUNITY COLLEGE DISTRICT
COLLEGE OF THE CANYONS, LOS ANGELES COUNTY
Laboratory Addition Project

Authority: Chapter 208/04, Item 6870-301-6041 (54), CE

a. Approve preliminary plans and local cost increase

APPROVED:
Vote 3/0

CONSENT ITEM

STAFF ANALYSIS ITEM – 14

Santa Clarita Community College District
College of the Canyons, Los Angeles County
Laboratory Expansion Project

Action Requested

The requested action will approve preliminary plans and local cost increase for this project.

Scope Description

This project is within scope. The authorized scope of the project constructs a 32,403 assignable square feet (asf) addition to the existing laboratory center. Space types to be constructed include 4,969 asf lecture space, 24,800 asf laboratory space, 834 asf office and administrative support space and 1,800 asf other space. Refinements in design development have increased total asf by 420 asf (1.3%) for a total of 32,823 asf. Preliminary plans asf includes: 5,280 asf lecture; 24,909 asf laboratory; 696 asf office and administrative support; and 1,938 asf other space.

Funding and Project Cost Verification

The project is not within cost. The construction cost of the project has increased by \$611,000 from \$12,720,000 to \$13,331,000 (5%) due to the extensive site preparation work caused by the steep hillside terrain. The district will fund the entire cost of the overage in addition to 100% of the preliminary plans and working drawings. No additional state funds are requested.

\$15,442,000 total authorized project costs

\$16,028,000 total estimated project costs

\$7,721,000 state project costs previously allocated: construction \$5,965,000 (\$5,395,000 contracts; \$270,000 contingency; \$301,000, construction management, administration, testing and inspection) at CCI 4100 and equipment \$1,756,000 at EI 2564

\$7,696,000 local project costs previously allocated: preliminary plans and working drawings \$941,000 at CCI 4019; construction \$6,755,000 (\$6,109,000 contracts; \$305,000 contingency, \$341,000; construction management, administration, testing and inspection) at CCI 4100

\$611,000 local funds to be allocated: construction \$611,000 (\$542,000 contracts; \$27,000 contingency; \$42,000 construction management, administration, testing and inspection) at CCI 4100

CEQA

A Notice of Determination was filed with the State Clearinghouse on August 29, 2002 and the response period expired on October 3, 2002.

Due Diligence

Community college districts are local entities and the State does not have title to their real property, hence districts acknowledge that they have full responsibility for clearing due diligence issues for general obligation bond projects.

Project Schedule

The project schedule is as follows:

Complete working drawings: December 2004

Award contract: February 2005

Complete construction: July 2007

Staff Recommendation: Approve preliminary plans and local cost increase.

ACTION ITEM

ACTION ITEM – 15

DEPARTMENT OF GENERAL SERVICES (1760)
CALIFORNIA INSTITUTION FOR MEN-CHINO, SAN BERNARDINO COUNTY
Surplus Parcel Number SSL 621

*Authority: Government Code Section 14672.14
Chapter 770/00, Section 1 as amended by
Chapter 974/02*

a. Approve the transfer of state surplus property consistent with the staff analysis

APPROVED:
Vote 3/0

ACTION ITEM

STAFF ANALYSIS ITEM – 15

Department of General Services
California Institution for Men-Chino

Action Requested

The requested action will approve the transfer of state surplus property consistent with the staff analysis and Government Code Section 14672.14.

Project Description

Pursuant to Government Code Section 14672.14, the Director of the Department of General Services (DGS), with the approval of the State Public Works Board (SPWB), may transfer at no cost to the City of Chino up to 140 acres of real property for the development and maintenance of a public park and transfer at no cost to the Chaffey Community College District up to 100 acres of real property for the development of a new community college campus from surplus State property located at the California Institution of Men-Chino (CIM) in San Bernardino County.

The statute provides that these transfers will occur only when the City of Chino has granted, according to terms and conditions deemed acceptable by the Director, all approvals necessary to rezone the property, approved a specific plan for the property and entered into any development agreements needed to sell approximately 450 acres of surplus CIM property that DGS is authorized to sell pursuant to Chapter 770, Statutes of 2000 as amended by Chapter 974, Statutes of 2002.

On July 11, 2003, the SPWB approved the sale of 470 acres to SCC Acquisitions Inc. a California Corporation (SunCal) under the authority provided in Chapter 770, Statutes of 2000 as amended by Chapter 974, Statutes of 2002. The SPWB approval of this sale was conditioned upon the following items:

1. Certification of the Environmental Impact Report (EIR) for the Specific Plan
2. City granting all approvals necessary to rezone the 470-acre development parcel, approving a specific plan or plans for the property, and entering into any development agreements needed for the State to sell the property to the private developer pursuant to the sale agreement.
3. Termination of the SPWB's right of entry across State surplus property.
4. City entering into an agreement with the State to accept the no cost conveyance of approximately 140 acres subject to the terms and conditions mandated by Section 14672.14 of the Government Code.
5. Chaffey Community College entering into an agreement with the State to accept the no cost conveyance of approximately 100 acres subject to the terms and conditions mandated by Section 14672.14 of the Government Code.

Items 1 and 2 have now been satisfied. On August 17, 2004, the Chino City Council unanimously approved the full entitlement for the development of the 470-acre parcel including the certification of the EIR, amending the Chino General Plan, amending the Chino Redevelopment Plan, approval of the Area Plan and Specific Plan, and approval of the College Park Development Agreement.

Item 3 has been satisfied by execution of Amended and Restated Memorandum of Facility Leases dated October 1, 2003, and First Amendment to Site Lease and Right of Entry Agreements dated October 1, 2003, by and between the State Public Works Board and the Department of Corrections.

Item 4 has been satisfied by approval of the transfer agreement by the City of Chino on October 5, 2004.

Item 5 has been satisfied by approval of the transfer agreement by the Chaffey Community College District Governing Board on September 23, 2004.

Associated Costs

All state costs of approximately \$4,810,000.00 associated with the enhancement, sale and transfer of the state surplus will be reimbursed from the proceeds from the sale of the 470-acre development parcel. In addition, there will be on-site costs (to be deducted from the purchase price) which include a 2-lane perimeter access road, perimeter sound walls separating the development parcel from the remainder correctional facility property, utility and road realignment and hazardous materials cleanup. These costs are estimated to be \$4,300,000, subject to further engineering work for the improvements and additional site investigation for the hazardous materials.

The City of Chino and Chaffey Community College District will pay a pro-rata share of their costs for construction of the perimeter sound wall, utility relocation and for the preparation of the Environmental Impact Report.

Project Schedule

The project schedule is as follows:

The property transfers are scheduled to occur in December 2004 pending the resolution of the outstanding litigation.

Other:

- The transfer agreements provide that the transfers will not occur until after the State has closed escrow on the sale of the 470-acre development parcel to SunCal.
- The statute the transfer agreements provide that the State shall have the right to include a power of termination in the deeds to the effect that, should the properties transferred not be used for the purposes outlined in the statute, title will revert to the State.
- An initial study of the planned development determined that there would be significant environmental impacts from the development of this property. Under the CEQA process, the City of Chino was determined to be the lead agency and the Department of General Services and the Chaffey Community College are the responsible agencies for the development of the surplus property. The City of Chino prepared an EIR for the surplus property. This report was certified by the City Council on August 17, 2004. A Notice of Determination was filed with the State Clearinghouse on August 18, 2004 and the waiting period expired on September 17, 2004.
- We note that litigation challenging the City of Chino's certification of the EIR as well as various other City approvals related to this project was filed on September 16, 2004. The State has been named in the lawsuit as a real party of interest. The transfer agreements provide that escrow cannot close on these transfers until all legal challenges are resolved and escrow closes on the sale of the 470-acre development parcel to SunCal. Additionally, under the terms of the Purchase and Sale Agreement between DGS and SunCal, escrow will not close on the sale of the 470-acre development parcel until all legal challenges are resolved.
- The form of the transfer agreements is approved with such changes or amendments, as board staff deem necessary.

Staff Recommendation: Approve the transfer of state surplus property consistent with the staff analysis.

ACTION ITEM

ACTION ITEM – 16

DEPARTMENT OF GENERAL SERVICES (1760)
DEPARTMENT OF PARKS AND RECREATION (3790)
CASTLE ROCK STATE PARK, SAN LORENZO RIVER REDWOODS, PHASE TWO
SANTA CRUZ COUNTY
DPR Parcel Number 7760, DGS Parcel Number 10242

*Authority: Chapter 106/01, Item 3790-301-0005 (29)
Chapter 157/03, Item 3760-301-6029 (10)*

a. Authorize acquisition

APPROVED:
Vote 3/0

ACTION ITEM

STAFF ANALYSIS ITEM – 16

Department of General Services
Department of Parks and Recreation
Castle Rock State Park, San Lorenzo River Redwoods, Phase Two

Action Requested

The requested action will authorize acquisition consistent with the staff analysis.

Scope Description

This project is within scope. The Legislature has approved the funding for the purchase of additions to existing units of the State Park System consistent with the objectives of the 2000 Bond Fund Habitat Acquisition Program as well as an appropriation to the Department of Parks and Recreation (DPR) from Proposition 40: California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund for new acquisitions for the State Park System without specifying particular parcels. This request will authorize acquisition of fee simple interest of approximately 1,069 acres to be acquired from the property owner.

This acquisition meets the Department's Sustainable Ecosystems acquisition guideline by acquiring property that contributes to the long-term protection of a significant watershed. This watershed is home to the steelhead trout, a threatened species. The acquisition of the project will also protect a second growth, resource-rich redwood forest which has not been logged for one hundred years.

Funding and Cost Verification

This project is within cost. Chapter 106/01, Item 3790-301-0005(29) and Chapter 157/03, Item 3790-301-6029(10) provide funding for this acquisition in fee simple interest and associated overhead for the real property. The property can be acquired with the remaining funds and in accordance with Legislative intent.

\$2,792,000 total project costs

\$3,000 project costs previously allocated (DGS staff costs)

\$2,789,000 project costs to be allocated: \$2,785,000 acquisition and approximately \$3,500 in overhead costs

CEQA

A Notice of Exemption was filed with the State Clearinghouse on November 18, 2003, and the waiting period expired on December 23, 2003.

Project Schedule

The project schedule is as follows:

The anticipated close of escrow is October 2004.

Condition of Property

Department of General Services (DGS), Environmental Services Section (ESS) staff conducted a site visit to the San Lorenzo River Redwoods (Phase II) parcels on April 14, 2004. The acquisition consists of two parcels (APN's: 087-041-01 and 087-091-18) of undeveloped land comprising approximately 1,069 acres in Santa Cruz County.

A Phase I Environmental Site Assessment report was not available for this property and is not deemed necessary given the physical setting of the parcels. A small debris pile of household trash, e.g., mattress, cupboard doors, etc., was observed adjacent to the road (identified as the Kings Creek Truck Trail on Map 1 of the Sempervirens Fund Trail Map of the Santa Cruz Mountains). The trash pile (located in the east central portion of Section 30) should be removed prior to closing escrow. No potential problems with hazardous materials were observed during the ESS site visit and the property is compatible with the proposed future use, i.e., addition to the existing Castle Rock State Park.

Other:

- The project was approved for site selection by the State Public Works Board on May 14, 2004.
- The purchase price shall not exceed estimated fair market value as determined by a DGS approved appraisal.
- DPR 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.
- The property is vacant and unimproved.
- There is no relocation assistance involved with this project.
- There is no implied dedication applicable to this property.
- The acquisition agreement does not include standard indemnification language. However, based on environmental reviews and historical uses of the property, the risk associated with accepting this acquisition without the standard indemnification provisions is relatively low. The grantor received indemnification for toxics and hazardous materials from the previous long-term property owner, the San Lorenzo County Water District, in September 2000 and, to the extent these rights are assignable to successors, has agreed to assign them to the State.
- DPR estimates a need for **6 PYs** and ongoing costs of **\$681,000** should DPR provide for patrolling, resource protection, maintaining roads, trails, gates, and access points. In addition, DPR further estimates one-time costs of \$204,000 for baseline resource studies, fencing, equipment, and signage. DPR has indicated that this need is based on providing a certain level of public use. DPR has provided this information as its best estimate of initial needs. The Department of Finance provides no endorsement of these support estimates.
- DPR brings this acquisition request forward with the full knowledge that additional support appropriations may not be available in the foreseeable future.
- Until such time that additional resources become available, DPR intends to utilize existing staff for visual patrols and will provide public access via permits for special events conducted through partnership arrangements with non-profit or docent organizations.
- DPR will seek endowments, partnerships, and/or grants to provide for or assist in providing for future staffing/operating expenses. DPR is currently exploring potential operational alternatives with the grantor, the Sempervirens Fund.

Staff Recommendation: Approve acquisition with the understanding that the Department will be providing limited controlled public access to this property subject to partnership arrangements with non-profit and/or docent organizations.

OTHER BUSINESS

OTHER ITEM –

No Other Business.

REPORTABLES

To be presented at meeting.

Respectfully Submitted
By:

KAREN FINN
Administrative Secretary