



CALIFORNIA STATE
PUBLIC WORKS BOARD

EDMUND G. BROWN JR. • GOVERNOR

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STATE PUBLIC WORKS BOARD
January 14, 2011

MINUTES

PRESENT:

Ms. Jennifer Rockwell, Chief Counsel, Department of Finance
Mr. Scott Harvey, Acting Director, Department of General Services
Ms. Ann Barsotti, Chief Information Officer, Department of Transportation

STAFF PRESENT:

Greg Rogers, Administrative Secretary
Nathan Brady, Assistant Administrative Secretary
Brian Dewey, Assistant Administrative Secretary
Chris Lief, Assistant Administrative Secretary
Aurelia Bethea, Executive Secretary
Marilyn Munoz, Staff Counsel
Stan Hiuga, Budget Analyst

CALL TO ORDER AND ROLL CALL:

Ms. Jennifer Rockwell, Chairperson of the Board and Chief Counsel of the Department of Finance, called the meeting to order at 10:00 a.m. Mr. Greg Rogers, Administrative Secretary for the Board, called the roll. A quorum was established.

The first order of business was approval and adoption of the minutes from the December 13, 2010 meeting. Mr. Rogers reported Board staff had reviewed and recommended approval and adoption of the minutes.

A motion was made by Mr. Harvey and second by Ms. Barsotti to approve and adopt the minutes. The minutes were approved by a 3-0 vote.

BOND ITEMS:

Mr. Rogers reported there were no Bond Items on this month's agenda.

CONSENT ITEMS:

The second order of business was the consent calendar. Mr. Rogers stated the Consent Calendar consists of Items 1 through 10. In summary these items were proposed:

- 4 requests to authorize site selection [Items 1- 4]
- 2 requests to authorize acquisition [Item 5 and 6]
- 1 request to approve performance criteria and concept drawings for design-build phase II — Secure Facilities [Item 7]
- 1 request to approve preliminary plans and recognize revised project costs [Item 8]
- 1 request to approve an augmentation [Item 9]
- 1 request to approve preliminary plans [Item 10]

There was 1 legislative notification letter associated with the Consent Calendar for Item 6, an augmentation for the California State University San Diego State Campus, Telecommunication Infrastructure project. The review period expired without any adverse comment from the Legislature. Staff recommended approval of the Consent Calendar consisting of Consent Items 1 through 10.

There were no comments or questions from the Board or the public.

A motion was made by Mr. Harvey and second by Ms. Barsotti to approve Consent Calendar Items 1 through 10. The Consent Items were approved by a 3-0 vote.

ACTION ITEMS:

Mr. Rogers informed the Board there were two action items on this month's agenda. The first action item regarding a courts acquisition, would be presented by Mr. Nathan Brady, Board staff, and Mr. Brian Dewey, Board staff, will present the second item, a Parks acquisition and concession contract.

ACTION ITEM 1: Mr. Brady reported to the Board that the Administrative Office of the Courts (AOC) requested Board approval of a contingent acceptance of a no-cost acquisition for the New South Monterey County Courthouse located in Monterey County. This item was brought before the Board as an action item because the authorization to accept the donated site would be conditional. Mr. Brady stated, staff recommended acceptance of a no-cost acquisition contingent upon the Greenfield (RDA) satisfactorily completing the following tasks, (1) Acquisition of the parcel by the RDA, (2) completion of any and all applicable occupant relocation assistance, and (3) demolition and removal of existing improvements in accordance with current and applicable law. Mr. Brady noted, the acquisition agreement for this site had not yet been negotiated and it is expected that these issues will be resolved prior to the AOC and the RDA finalizing the agreement. Furthermore staff recommended the Board direct the AOC to return to the Board to certify that all work has been completed and is acceptable prior to final approval of all agreements, resolutions, and other ancillary acquisition documents.

Mr. Harvey restated that the Board was being asked to approve Action Item 1 without the Property Acquisition Agreement. Mr. Brady confirmed that statement. There were no further questions and or comments from the Board or public.

A motion was made by Mr. Tuttle and second by Mr. Harvey to approve Action Item 1. Action Item 1 was approved by a 3-0 vote.

ACTION ITEM 2: Mr. Dewey informed the Board that the Department of Parks and Recreation (Parks) was requesting acquisition approval of approximately 535 acres in Santa Cruz County, also known as Little Basin, as an addition to the Big Basin State Park, and approval of a concession contract.

Concession Contract

Mr. Dewey stated the Property Acquisition Agreement required that Parks assume an existing concession contract that was originally entered into between the Seller, Peninsula Open Space Trust and Sempervirens, two non-profit organizations, and a third-party concessionaire, United Camp Conferences and Retreats, also a non-profit organization. Concession contracts for Parks are normally required to be approved by the Legislature during the annual budget process. However, in instances where the Board determines that a given concession contract could not have been reviewed and approved by the Legislature during the previous budget cycle and also determines that it would be adverse to the interests of the public to defer action until the next budget cycle, the Board, in lieu of the Legislature, may act to approve such concession contracts. Based on the information summarized in the staff analysis, staff was confident that, in the case of the Little Basin concession contract, the criteria for Board action in lieu of legislative action had been met.

A 20-day letter was sent to the Legislature on November 24, 2010, and Board staff has confirmed that the Joint Legislative Budget Committee does not have any concerns with this item.

Infrastructure Deficiencies

Mr. Dewey reported that because of chronic budget constraints, Parks had not been able to keep pace with its ongoing infrastructure needs, such as routine maintenance and special repairs, throughout the State Park System. This resulted in a significant back-log of infrastructure deficiency projects. In addition, Parks is under court order to improve accessibility for visitors with disabilities at various parks. Given these existing pressures, the advisability of the addition of new park properties, especially those with existing infrastructure needs, should be considered carefully.

The Little Basin property has a significant number of existing infrastructure deficiencies. While Parks has identified funding for the majority of these projects (such as existing general obligation bonds allocated for ADA improvements and approximately \$1.2 million provided by the Seller in a dedicated endowment fund) some of the infrastructure needs for the Little Basin property will require additional funding. However, according to Parks, these remaining infrastructure projects are not critical and can wait several years or more without significant consequences.

Because this facility was planned to be operated by a concessionaire for a minimum of 7 years, from an operations perspective, this acquisition is expected to be cost-neutral to Parks, as the concessionaire is responsible for day-to-day costs, including staffing, repairs, and maintenance. However, upon the expiration of the concession contract, Parks will either need to assume these costs or seek another concessionaire. In the event Parks is unable to find a replacement operator and Parks' budget constraints do not improve significantly, Parks may be required to limit future public access to this facility. This acquisition would be a unique opportunity to expand public access and recreational opportunities, which includes hiking trails and camping facilities, not to mention the opportunity for the protection of old-growth and second-growth coastal redwood forest habitat and watershed. In summary, staff recommended the Board find and determine that (1) the concession contract could not have been submitted to the Legislature for review and approval in the course of its consideration of the 2010-11 Budget Bill and (2) it would be adverse to the interests of the public to defer action on the concession contract until the Legislature considers the 2011-12 Budget Bill. Based on the foregoing finding and determination, staff also recommends that the Board approve the concession contract and authorize the acquisition.

Ruth Coleman, Director, State Parks, gave a brief report regarding the history of Big Basin State Park, the relevance of adding Little Basin to the park system, and informed the Board of the public private partnership in regards to the concession contract.

Mr. Harvey voiced his concerns about acquiring more park space given the restrictions Parks is facing and the ability of the Stewardship fund to address structural deficiencies. Mr. Harvey asked about the process in which the concession contract is awarded. Mr. Dewey informed the Board that the guidelines for awarding the contract were very close to the state process.

Audrey Rust, President, Peninsula Open Space Trust, and Mr. Reed Holderman, Director of the Sempervirens Funds were present to answer any questions the Board may have had and to inform the Board of the past with Big Basin and to voice their organizations commitment to the business of Big Basin/Little Basin.

There were no further comments or questions from the Board or the public.

A motion was made by Mr. Harvey and second by Ms. Barsotti by to approve staff recommendation for Action Item 2. Action Item 2 was approved by a 3-0 vote.

OTHER BUSINESS

Mr. Rogers stated there were no Items under Other Business.

REPORTABLES:

Mr. Rogers informed the Board there were 3 items to report approved by staff under the authority delegated by the Board.

NEXT MEETING:

Mr. Rogers announced the next meeting Public Works Board meeting is scheduled for **Friday, February 11, 2011, at 10:00 am, at the State Capitol, in Room 113.**

There were no comments or questions from the public.

The meeting was concluded at 10:35 am.