



CALIFORNIA STATE
PUBLIC WORKS BOARD

EDMUND G. BROWN JR. • GOVERNOR

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STATE PUBLIC WORKS BOARD
March 11, 2011

MINUTES

PRESENT:

Mr. Pedro Reyes, Chief Deputy Director, Department of Finance
Mr. Scott Harvey, Acting Director, Department of General Services
Mr. Martin Tuttle, Deputy Director of Planning and Modal Programs, Department of Transportation

STAFF PRESENT:

Nathan Brady, Assistant Administrative Secretary
Brian Dewey, Assistant Administrative Secretary
Theresa Gunn, Assistant Administrative Secretary
Chris Lief, Assistant Administrative Secretary
Aurelia Bethea, Executive Secretary
Stan Hiuga, Budget Analyst
Andrew Ruppenstein, Budget Analyst
Shryl Thomas, Budget Analyst
Madelynn McClain, Budget Analyst
Maria Lo-Aoyama, Budget Analyst

CALL TO ORDER AND ROLL CALL:

Mr. Pedro Reyes, Chairperson of the Board of Department of Finance, called the meeting to order at 10:06 a.m. Mr. Nathan Brady, Assistant Administrative Secretary for the Board, called the roll. A quorum was established.

Mr. Reyes acknowledged the presence of Senator Lois Wolk and recognized that the Senator was in attendance to speak to the first action item, the Judicial Council's New Woodland Courthouse located in Yolo County. As such, Mr. Reyes asked that the Board address Action Item 1 first. There were no objections from the Board members.

ACTION ITEM 1:

Mr. Brady summarized the item, if adopted, would authorize the acquisition of 3.75 acres for the construction of a new courthouse and associated improvements. Additionally, because of the unique nature of the acquisition negotiated between the Administrative Office of the Courts (AOC) and the City of Woodland's Redevelopment Agency (RDA), Board staff characterized this matter as an action item.

The City of Woodland currently operates a water well which is located on the property in a location that interferes with the proposed development of the project on this site. Consequently, the AOC proposes to enter into an agreement with the City requiring the removal and relocation of the water well by the City (Water Well Project). The City Council has approved the Water Well Project and its cost of \$2.3 million. The AOC intends to reimburse the City \$750,000 during the construction phase of the courthouse project, if construction funding is appropriated by the Legislature. Mr. Brady stated that staff will verify that the Water Well Project is substantially complete prior to releasing funds for working drawings.

The Board Chair recognized Senator Lois Wolk and asked if she would like to address the Board regarding this project. Senator Wolk addressed the members of the Board and expressed her support for this project and encouraged the Board members to approve the acquisition.

Mr. Harvey noted concerns with a gas station that previously occupied the site and queried whether the state has sufficient dollars set aside if something like an underground gas tank is discovered on site during the construction project? Mr. Brady reviewed the process each project must go through for unforeseen site conditions, including the Board's ability to augment and an ability to seek further appropriations.

Mr. Harvey inquired about the fact that this acquisition agreement does not include the state's standard indemnification language and wanted to know how much additional risk the state may be assuming since the agreement lacked the standard indemnification language? The AOC project director, Mr. Smith, responded that the state can still go back to prior property owners in this particular case for any remedial actions.

Mr. Harvey questioned the AOC staff regarding the negotiations process and the states' share of the costs to relocate the well that is on this site. Mr. Smith replied that the construction funds had not yet been appropriated and that the AOC would request funding in 2012-2013. Mr. Smith further stated that he didn't know at what point PWB staff were engaged on the issue of relocating the well, but he assumes this took place in the last 2-3 months. Mr. Harvey then encouraged the AOC to take advantage of the talent and resources that DGS and Public Works Board staff offer early in the negotiating process.

Mr. Tuttle expressed concern about infill development projects and the need to get construction jobs going. He then asked if there is a way to get this project and construction going sooner than March 2013? Mr. Smith replied that they hope they will be able to tighten up the project schedule during the design phase.

The following people were recognized as being in support of the project: (1) Judge David, Rosenberg, Presiding Judge of the Yolo Superior Court, (2) Mayor Skip Davies, City of Woodland, (3) Tom Stallard, City Council Member, (4) Cynthia Shallot, City of Woodland, Redevelopment Agency, (5) Jim Perry, Court Executive Officer, (6) Shawn Laundry, Assistant Court Executive Officer, (7) Rob Uvale, Manager, Office of Courthouse Construction & Management, (8) Eunice Calvert-Banks, Manager, Office of Courthouse Construction & Management, (9) Mike Smith, Project Manager, Office of Courthouse Construction & Management.

After hearing statements of support from Judge Rosenberg and Mr. Davies, Mr. Reyes asked if there was anyone in the public that wanted to speak in opposition to the project? No opposition was expressed at this meeting.

A motion was made by Mr. Harvey and second by Mr. Tuttle to approve staff recommendations. The staff recommendations were approved by a 3-0 vote.

ADOPTION/APPROVAL OF MINUTES:

The second order of business was the approval and adoption of the minutes from the February 11, 2011 meeting. Mr. Reyes reported Board staff had reviewed and recommended approval and adoption of the minutes.

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

CONSENT ITEMS:

The third item of business today was the consent calendar. Mr. Brady stated the Consent Calendar consisted of Items 1 through 10.

- 2 requests to authorize site selection [Items 1 & 2]
- 1 request to approve preliminary plans, approve a reversion, and recognize an anticipated deficit [Item 3]
- 1 request to authorize acquisition [Item 4]
- 1 request to approve preliminary plans and recognize revised project costs [Item 5]
- 4 requests to approve preliminary plans [Items 6,7, 8 and 9]
- 1 request to establish scope, cost, and schedule [Item 10]

There were no comments or questions from the Board and none from the public.

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

ACTION ITEM 2:

Mr. Brady informed the Board that Mr. Dewey will present Action Item #2 which is for the Department of Parks and Recreation, San Diego Coast District State Beaches, Vehicle Day Use Fee Collection concession approval.

Mr. Dewey stated that the requested action, if approved, would authorize one or more concession(s), after finding and determining that (1) The proposed concession(s) 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 proposed concession(s) until the Legislature considers the 2011-12 Budget Bill. It was also clarified what action the Board was not being asked to approve individual concession contracts, as may have been suggested in the 10-Day Notice.

Mr. Dewey described some of the general terms and conditions that the contracts would contain and noted that the concession contracts should increase revenues by \$500,000 per year for Parks. He then explained the Board's authority to authorize the concessions under Public Resources Code section 5080.20, including the findings and determinations required before approving the concession. Mr. Dewey then noted the reasons Parks provided as to why the concession could not have approved by the Legislature in the previous budget cycle and the consequences of delaying approval until the next budget cycle.

Mr. Dewey noted that a 20-day letter was sent to the Legislature on February 17, 2011, and the review period expired without adverse comments.

Mr. Dewey then mentioned that the 2011-12 Governor's Budget proposes to partially or fully close a certain number of state parks. He stated that, although the list of parks closure has not been released, it is unlikely that these six state beaches will be included in the closure plan given the high public attendance and revenue generation; however, in the unlikely event of such a closure, Parks would have the ability to not award one or more of the contracts or cancel the contracts in the future if necessary.

Staff recommends approval of up to six concessions, and request Parks staff to report the final terms of the concession contracts to the Board staff upon completion of the award process.

Mr. Harvey stated that the Board did this very same thing for Parks at the last meeting and asked how often the Board asked to make a finding that such proposals could not have been included in the normal budget process? Mr. Dewey responded that the Board receives approximately 2-4 such requests per year and that a number are approved through the annual budget process. Mr. Dewey then explained the process by which concession contracts can be approved, the timing of those approvals, as well as the legislative notifications required.

Mr. Reyes clarified that the issue is timing. If we were to roll this into the 2011-12 Budget Act, the department will not have authority to go out with the RFP's until the Budget is actually signed. Which means that if it's signed on time, it will be in July. By the time they do the RFP's and go public and do the notifications, which will be late in the summer, we've lost potential revenue. By the Board approving the item, recognizing the JLBC was notified and there response time has expired, could positively impact the current year budget. It allows them to take action now on the RFP without having to wait for the next budget.

Mr. Harvey then asked if the net revenue was assumed to be in the 2010-11 budget? Ms. Lo-Aoyama replied that the anticipated revenue was not built into the Governor's Budget because this contract had not yet been submitted to Finance.

Mr. Harvey inquired as to whether the state should expect higher revenues because of the competition, based on the results of the pilot project? Mr. Luscutoff, a representative from the Parks Department, responded that Parks expects this process to be very competitive and briefly explained the history on this project.

Mr. Harvey requested amending the Board action to require Parks to come back and tell the Board if the RFP is not signed in June, so that we will know whether or not we will account for the dollars.

A motion was made by Mr. Harvey and second by Mr. Tuttle to approve Action Item 2 as amended. Action Item 2 was approved by a 3-0 vote.

OTHER BUSINESS

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

REPORTABLES:

Mr. Brady informed the Board there were 2 items to report approved by staff under the authority delegated by the Board.

NEXT MEETING:

Mr. Brady announced the next meeting Public Works Board meeting is scheduled for **Friday, April 8, 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 am.