



CALIFORNIA STATE
PUBLIC WORKS BOARD

EDMUND G. BROWN JR. • GOVERNOR

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STATE PUBLIC WORKS BOARD

September 9, 2011

MINUTES

PRESENT:

Mr. Pedro Reyes, Chief Deputy Director, Policy, Department of Finance
Mr. Esteban Almanza, Chief Deputy Director, Department of General Services
Mr. Martin Tuttle, Deputy Director, Department of Transportation
Mr. Jim Lombard, Chief Administrative Officer, State Controller's Office
Mr. Francisco Lujano, Director, Securities Management, State Treasurer's Office

STAFF PRESENT:

Greg Rogers, Administrative Secretary
Chris Lief, Assistant Administrative Secretary
Theresa Gunn, Assistant Administrative Secretary
Stephen Benson, Budget Analyst
Madelynn McClain, Budget Analyst
Andrew Ruppenstein, Budget Analyst

CALL TO ORDER AND ROLL CALL:

Mr. Pedro Reyes, Chairperson of the Board and Chief Deputy 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 August 12, 2011 meeting. Mr. Rogers reported staff had reviewed the minutes and recommend approval and adoption of the minutes with one change, to add Chief to Mr. Esteban Almanza's title.

A motion was made by Mr. Lombard and seconded by Mr. Almanza to approve and adopt the minutes. The minutes were approved by a 4-0 vote.

Mr. Pedro Reyes stated the Board would consider Action Item 2 prior to considering the Bond Item because the Board needed to consider and establish the project prior to considering adopting a resolution to authorize interim financing for the project. Action Item 2 would be voted on by only the representatives from Department of General Services, Transportation and Finance; whereas the Bond Item will be voted on by all representatives.

Action Item 2:

Mr. Rogers advised that Action Item 2 would establish the scope, cost, and schedule and approve preliminary plans for the Department of Corrections and Rehabilitation, Shasta County Juvenile Hall—Juvenile Rehabilitation Facility in Shasta County.

This project consists of the design and construction of a new medium security juvenile detention facility to replace the existing Shasta County Juvenile Facility. This project would be constructed on approximately five acres of county-owned land. The new facility would be approximately 43,300 square feet and would consist of approximately 90 beds in 3 different housing units.

Mr. Rogers reported that staff recommended approval for establishing the scope, cost, schedule, and preliminary plans for the Department of Corrections and Rehabilitation, Shasta County Juvenile Hall—Juvenile Rehabilitation Facility in Shasta County.

Mr. Rogers reported staff will be working with the County, CSA, and CDCR to ensure the project has a sufficient contingency and the Department of Finance would not approve award of a construction contract until the contingency problem is addressed.

There were no questions from the Board or the public.

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

BOND ITEMS:

Mr. Rogers noted that there was one Bond Item on September's agenda.

BOND ITEM 1

Mr. Rogers informed the Board that Bond Item 1, for the Department of Corrections and Rehabilitation (CDCR), Shasta County Juvenile Hall—Juvenile Rehabilitation Facility in Shasta County, if approved, would adopt a resolution authorizing actions to be taken 1) to provide for interim financing; 2) for the sale of lease revenue bonds and other related actions in connection with the authorization, issuance, sale, and delivery of said revenue bonds; and 3) to approve the execution of a Project Delivery and Construction Agreement between Shasta County, CDCR, Corrections Standards Authority, and SPWB. \$15,050,000 was the total amount of state funds authorized for this project.

Staff recommended approval of the item and adoption of the resolution.

There were no questions from the Board or the public.

A motion was made by Mr. Almanza and second by Mr. Lombard to approve and adopt the resolution Bond Item 1. Bond Item 1 was approved by a 5-0 vote.

CONSENT ITEMS:

The third order of business was the Consent Items. Mr. Rogers informed the Board there were nine Consent Items. In summary these items were proposed:

- 2 requests to authorize site selection [Items 1 and 2]
- 1 request to authorize acquisition of a conservation easement [Item 3]
- 2 requests for acceptance/authorization of a no cost acquisition [Items 4 and 6]
- 2 requests to approve preliminary plans [Items 5 and 9]
- 3 requests to approve Inmate/Ward Labor and recognize revised project costs [Items 7, 8, and 9]

Staff recommended approval of Consent Items 1 through 9.

Mr. Randy Madera, member of the public, addressed the Board and expressed his support for Consent Item 6, Pigeon Point Light Station.

A motion was made by Mr. Tuttle and seconded by Mr. Almanza to approve Consent Calendar Items 1 through 9. The Consent Items were approved by a 3-0 vote.

ACTION ITEMS:

ACTION ITEM 1: Action Item 1, the Department of Parks and Recreation (Parks), California Museum Collection Center Project, Sacramento County, considered approving expenditure of project funding.

Mr. Rogers reported that this item was being presented as an Action Item because of the unusual action required of the Board. Currently, there are approximately 1.5 million historic objects and 2 million artifacts stored in Parks' storage facilities in West Sacramento and Parks' archives in downtown Sacramento. The collections are stored in a complex of warehouses located in a flood-prone area. The facilities lack adequate security measures, climate control, and adequate space for storage and collection processing. This project addresses these issues by consolidating Parks' museum collection into one location facility that is approximately 157,000 square feet and provides the necessary conditions for the storage and preservation of the state's historic object and artifacts.

The 2010 Budget Act appropriated \$14,175,000 from Proposition 84 funds for various long-term improvement alternatives for the California Museum Collection Center, including a lease with purchase option, lease-purchase, acquisition, and lease with tenant improvements until June 30, 2012.

The proposed lease is a lease term up to 25 years (20 years firm, 5 years soft) with an option to purchase at year 10, year 15, year 20 and year 25 at \$9,396,345. The purchase price will be adjusted by the consumer price index. Annual rental payment is approximately \$1,400,000.

Parks will also pay a lump sum of \$8,800,000 from Proposition 84 funds for tenant improvements, including installation of environmental systems, interior build-out, collection storage system, and fire and security systems.

Both Finance and Board staff have reviewed the RFP and the proposed expenditure of funds for the collection center project consolidation and view it as a reasonable project that will achieve savings and be part of the Parks' broader saving efforts to implement budget reductions enacted in the most recent Budget Act.

Mr. Manuel Lopez, California State Parks' Deputy Director for Administration, addressed the Board members' question regarding proposed net savings. Mr. Lopez answered that if the purchase option is exercised in year 10, an estimated \$45,000,000 is expected to be saved over current costs. If the lease extends through its term, approximately \$26,000,000 is expected to be saved in total. Mr. Lopez also explained it was an oversight as to why Finance was not engaged at the appropriate time to approve the RFP prior to its release.

There were no comments or questions from the public.

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

OTHER BUSINESS

Mr. Rogers informed the Board that there were no Items under Other Business.

REPORTABLES:

Mr. Rogers informed the Board there were 3 items under reportables on this month's agenda and were placed in the briefing binders and will be posted on the website after the meeting.

NEXT MEETING:

Mr. Rogers announced the next meeting Public Works Board meeting is scheduled for **Friday, October 14, 2011, at 10:00 am, at the State Capitol, in Room 113**; however, a meeting is planned for **September 28, 2011, at 10:00 a.m., at the State Capitol, in Room 113** to authorize the Board's First Fall Bonds Sale.

There were no comments or questions from the public.

The meeting was concluded at 10:17 am.