



CALIFORNIA STATE
PUBLIC WORKS BOARD

EDMUND G. BROWN JR. • GOVERNOR

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STATE PUBLIC WORKS BOARD
August 10, 2012

MINUTES

PRESENT:

Mr. Pedro Reyes, Chief Deputy Director, Policy, Department of Finance
Mr. Esteban Almanza, Chief Deputy Director, Department of General Services

STAFF PRESENT:

Greg Rogers, Administrative Secretary
Stephen Benson, Assistant Administrative Secretary
Shryl Thomas, Budget Analyst
Natalie Daniel, Budget Analyst

CALL TO ORDER AND ROLL CALL:

Mr. Pedro Reyes, Chairperson of the Board and Chief Deputy Director 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 July 16, 2012 meeting. Mr. Rogers reported that staff had reviewed the minutes and recommend approval and adoption of the minutes.

A motion was made by Mr. Almanza and seconded by Mr. Reyes to approve and adopt the minutes from the July 16, 2012 meeting. The minutes were approved by a 2-0 vote.

Mr. Reyes stated that the next order of business was the Consent Items.

CONSENT ITEMS:

Mr. Rogers informed the Board there were 5 Consent Items, and in summary consisted of the following requested actions:

- 2 requests to consider authorizing acquisition of a conservation easement, Items 1 and 2
- 1 request to consider consenting to an Agreement and Grant of Easement from the State to the Pacific Gas and Electric Company that affects the real property encumbered by the Board's 2010 Series A lease revenue bonds that were issued to finance the Thorn Forest Fire Station, Item 3
- 2 requests to consider establishing a scope, cost, and schedule, Items 4 and 5

Staff recommended approval of Consent Items 1 through 5.

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

A motion was made by Mr. Almanza and seconded by Mr. Reyes to approve Consent Items 1 through 5. The Consent Items were approved by a 2-0 vote.

ACTION ITEMS:

ACTION ITEM 1: Mr. Rogers presented Action Item #1 to the Board. Action Item #1 was for the Department of Corrections and Rehabilitation, Fred C. Nelles Youth Correctional Facility, City of Whittier in Los Angeles, and was to consider acknowledgement of the proposed amendment negotiated by the Department of General Services and Brookfield Homes related to the sale of the Fred C. Nelles Youth Correctional Facility (approximately 75 acres) and confirm the terms thereof do not alter the Board's Resolution dated June 10, 2011, in which approval of the sale conditioned on defeasance of a portion of the Board's outstanding 2000 Series B bonds.

The Buyer has proposed an amendment to the Purchase and Sales Agreement to address language inconsistencies due to the elimination of the Redevelopment Agency along with other revisions that would provide early Buyer access for site work as well as modify how the state benefits from additional residential unit density granted by the City to help offset the elimination of tax increment financing that would have been provided by the Redevelopment Agency. The major amendments are as follows:

- The Buyer will be permitted access for early demolition or grading only if the encumbering lease revenue bonds (2000 Series B) are defeased and a work plan is approved by the DGS.
- Adds approximately six months to the 1,200 days stated in the Purchase and Sales Agreement which was the maximum escrow time period unless mutually agreed to be extended. The 1,200 days has been replaced with a specific date of March 27, 2015, which is consistent with the terms of the Tolling Agreement.
- The project will go through a specific plan/zoning entitlement process and EIR process with the City that will determine the ultimate density for the site. If the outcome of that process results in a density in excess of 650 units then the State would receive a density bonus of \$20,000 per residential unit on the first fifty of the additional units but has agreed to forgo the density bonus for the next additional fifty units. This was negotiated with the intent of helping the transaction remain viable after the elimination of the RDA.

Staff recommended acknowledgement of the proposed amendment negotiated by the Department of General Services and Brookfield Homes related to the sale of the Fred C. Nelles Youth Correctional Facility (approximately 75 acres) and confirmation that the terms thereof do not alter the Board's Resolution dated June 10, 2011, in which approval of the sale conditioned on defeasance of a portion of the Board's outstanding 2000 Series B bonds.

Mr. Reyes mentioned concerns previously noted by Mr. Martin Tuttle, former CalTrans Board representative, regarding tying up the land without any immediate benefit to the State of California and stated that this was the last extension he would support before the Board. Mr. Reyes also noted that if the current sale does not go through, Board staff may need to look into alternative uses for this property.

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

A motion was made by Mr. Almanza and seconded by Mr. Reyes to approve Action Item 1. The Action Item was approved by a 2-0 vote.

REPORTABLES:

Mr. Rogers reported there were 3 reportable items for this month:

- Department of Transportation, Humboldt County:
 - Approved an increase within appropriation, in the amount of \$9,000
 - Approved an augmentation, in the amount of \$424,000
- Department of Corrections and Rehabilitation, San Luis Obispo County:

- Approved an augmentation, in the amount of \$1,490,000
- Gilbert Associates, Inc.:
 - Approved a two-year auditor contract from August 1, 2012 through July 31, 2014, in the amount of \$64,000

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

The meeting was adjourned at 10:10 a.m.