



STAFF ANALYSIS
STATE PUBLIC WORKS BOARD
Friday, July 21, 2023, at 10:00 a.m.
Redwood Room
915 L Street, Sacramento, CA 95814

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Pursuant to section 11125 of the Government Code, notice of all Board meetings will be given at least ten days in advance and such notice must include a copy of the agenda. Members of the public may address the Board prior to it taking action on any matter in the agenda. This notice and the Board agenda for the current month are available on the State Public Works Board website. [Please click here to view.](#) The full Board member briefing package is available upon request. Please send an email to Randall.Katz@dof.ca.gov. Individuals who need disability-related accommodation, including auxiliary aids for effective participation at this public meeting are invited to make their requests and preferences known to Randy Katz (916) 445-9694 or e-mail to Randall.Katz@dof.ca.gov, five days prior to the meeting.

BOND ITEMS

BOND ITEM—1

**DEPARTMENT OF CORRECTIONS AND REHABILITATION (5225)
SAN QUENTIN REHABILITATION CENTER – DEMOLITION OF BUILDING 38 AND CONSTRUCTION OF
NEW EDUCATIONAL AND VOCATIONAL CENTER
MARIN COUNTY**

Authority: 2023 Budget Act, 5225-301-0660 (1)

Consider adoption of a resolution to:

- 1) Authorize interim financing and declare the official intent of the Board to reimburse certain capital expenditures from the proceeds of the sale of bonds.**
- 2) Authorize the sale of lease revenue bonds.**
- 3) Approve the form of and authorize the execution of a Project Delivery Agreement between the California Department of Corrections and Rehabilitation (CDCR) and the Board.**
- 4) Approve and direct the Executive Director and Deputy Directors to take any and all such actions and to execute and deliver any documents as may be needed to carry out the purpose of this resolution.**

Total Bond Appropriation

\$360,551,000

STAFF ANALYSIS ITEM—1

Department of Corrections and Rehabilitation
San Quentin Rehabilitation Center — Demolition of Building 38 and Construction of New
Educational and Vocational Center
Marin County

Action Requested

If approved, the requested action would adopt a resolution authorizing interim financing, authorize the sale of lease revenue bonds, approve the form of and authorize the execution of a Project Delivery Agreement, declare the intent to reimburse certain expenditures from bond proceeds, and other related actions.

Scope Description

This project is within scope. This project consists of the demolition of Building 38 and the design and construction of a new Educational and Vocational Center to provide a centralized location for the expansion of rehabilitative programs at San Quentin Rehabilitation Center pursuant to recommendations from the San Quentin Transformation Advisory Council. The building, or buildings, will include a variety of program, rehabilitative, and administrative spaces.

Funding and Cost Verification

This project is within cost. The 2023 Budget Act appropriated \$360,551,000 lease revenue bond authority for pre-construction and progressive design-build for this project.

\$ 360,551,000 Total authorized project costs

\$ 360,551,000 Total estimated project costs

\$ 360,551,000 Project costs allocated: \$21,132,000 for pre-construction and \$339,419,000 for progressive design-build (\$264,071,000 contract, \$13,204,000 contingency, \$5,281,000 A/E, \$43,225,000 other project costs, and \$13,638,000 agency retained)

CEQA

Pursuant to statute, this project is exempt from CEQA requirements.

Real Estate Due Diligence

Real estate due diligence will be completed prior to approval of the Guaranteed Maximum Price.

Project Schedule

Start pre-construction	July 2023
Approve progressive design-build	March 2024
Complete progressive design-build	December 2025

Staff Recommendation: **Adopt resolution.**

MINUTES

Consider approving the minutes from the May 19, 2023, meeting.

Staff have reviewed the minutes from the May 19, 2023, meeting and recommend approval.

Staff Recommendation: **Approve minutes from the May 19, 2023 meeting.**

CONSENT ITEMS

CONSENT ITEM—1

**DEPARTMENT OF GENERAL SERVICES (7760)
CALIFORNIA ENVIRONMENTAL PROTECTION AGENCY (0555)
SACRAMENTO REGION: JOE SERNA JR. CAL-EPA BUILDING
SACRAMENTO COUNTY**

Authority: 2022 Budget Act, 7760-301-0001 (1)

Consider authorizing:

- 1) The acquisition of real property through exercise of an option to purchase.**
- 2) The Executive Director and Deputy Directors to take any and all actions that may be necessary to complete the acquisition, including negotiating the terms of, and executing, a property acquisition agreement and other such documents as may be required to complete the acquisition.**

STAFF ANALYSIS ITEM —1

Department of General Services (DGS)
California Environmental Protection Agency (CALEPA)
Joe Serna – CALEPA Building Acquisition
Sacramento County

Action requested

If approved, the requested action will authorize the State of California to acquire property through the exercise of an option to purchase, and authorize the Executive or Deputy Director to take any and all actions that may be necessary to complete the acquisition, including negotiating the terms of, and executing, a property acquisition agreement and other such documents as may be required to complete the acquisition.

Background

Pursuant to a lease dated April 23, 1997, and its subsequent Amendments dated 1) November 1, 1998, 2) September 7, 1999, and 3) August 1, 2013, (the Lease) the State of California, Department of General Services, as lessee (State) entered a 25-year lease with the City of Sacramento, as lessor, for the lease of the building and site that is commonly referred to as the Joe Serna-Cal EPA building, located at 1001 I Street, City of Sacramento, County of Sacramento (the Property). The Property consists of approximately 2.5 acres of land improved with a tiered 25-story building consisting of approximately 950,000 gross/776,000 net square feet. Pursuant to the Lease, the City of Sacramento caused bonds to be issued to finance the construction of the Property.

Under the Lease, the State was given the opportunity to exercise an option to purchase the Property at any time during the lease, or within (90) days of full payment of the bonds. The bonds were fully paid on May 1, 2023. The purchase price is one dollar (\$1.00).

Funding and Cost Verification

This project is within cost. Chapter 43, Statutes of 2022, Item No. 7760-301-0001 (1), provides for \$36,000 for acquisition. The Property can be acquired with the funds available and in accordance with legislative intent.

CEQA

The Department of General Services has advised that the acquisition of the Property does not prompt any new activity under CEQA.

Project Schedule

Estimated close of escrow: September 2023.

Condition of Property Statement (COP)

The Department of General Services (DGS), Environmental Services Unit (ESU) staff conducted a site visit to the Property on June 26, 2023, to assess the general condition. The building was constructed in 1998-2000 on behalf of Cal EPA. Cal EPA has been the primary occupant since its completion.

Facility Condition Assessment

A Facility Condition Assessment (FCA) was completed by Bureau Veritas of Maryland on behalf of HGA Architects & Engineers of Sacramento, CA in February 2022 to identify immediate repairs and future capital reserves potentially required for repair/replacement of infrastructure needs over the next 10-years.

Structural and Seismic

The building's seismic force-resisting system consists of steel moment frames and concentric braced frames of rigid diaphragms and is classified as American Society of Civil Engineers (ASCE) 41, S1 and S2.

The building was designed to 1994 Universal Building Code (UBC), with 1994 UBC emergency provisions. Although the building is not expected to perform equivalent to a building designed and constructed under current building code, it will likely perform adequately in small to moderate earthquakes.

Visual observations indicate the building is in serviceable condition with little signs of deterioration. No structurally significant cracking was observed, nor indication of foundation settlement or lateral movement. There were no apparent structural or architectural conditions that pose a significant risk to occupants under gravity, wind, or daily loading.

The building was found to be compliant with the governing regulations. The assessment should not result in a mandate from the governing building jurisdiction to retrofit any identified building deficiencies.

Other:

- Site selection for the property was approved by delegation on July 20, 2023.
- Under Senate Concurrent Resolution No. 39, Chapter 131, DGS and the City of Sacramento worked collaboratively on this project.

- During the term of the lease, the City of Sacramento provided the state with up to 750 parking passes within the city garage located at 1000 I Street in Sacramento. Pursuant to the lease, upon full retirement of the bonds and upon exercise of the purchase option, the State has an option to enter into a parking space lease agreement for up to 750 parking spaces within the city owned garage.
- Neither DGS, nor CAL EPA are 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.
- No relocation assistance is required.
- There are no historical issues and no implied dedication associated with the property.
- The Property meets the program requirements on behalf of DGS.
- The proposed location is consistent with the state's planning priorities in accordance with Government Code Section 65041 st seq.

Staff Recommendation:

Authorize exercising the option to purchase, and authorize the Executive or Deputy Director to take any and all actions that may be necessary to complete the acquisition, including negotiating the terms of, and executing, a property acquisition agreement and other such documents as may be required to complete the acquisition.

ACTION ITEMS

NONE

OTHER BUSINESS

NONE

GENERAL PUBLIC COMMENT

REPORTABLES

NONE