



STATE PUBLIC WORKS BOARD

Gavin Newsom ■ Governor

915 L Street ■ Ninth Floor ■ Sacramento CA ■ 95814-3706 ■ (916) 445-9694

STATE PUBLIC WORKS BOARD
December 8, 2023

FINAL MINUTES

MEMBERS PRESENT:

H.D. Palmer, Chief Deputy Director, for the Department of Finance
Jennifer Osborn, Deputy Director, for the Department of General Services
Tony Tavares, Director, Department of Transportation
Blake Fowler, Deputy Treasurer, for the State Treasurer
David Oppenheim, Deputy Controller, for the State Controller
Bryan Cash, Deputy Assistant Secretary, Natural Resources Agency

MEMBERS ABSENT:

None

CALL TO ORDER AND ROLL CALL:

H.D. Palmer, Chairperson of the Board, called the meeting to order at 10: 02 am.
Randy Katz, Secretary of the Board, called the roll. A quorum was established.

H. D. Palmer noted before the beginning of the meeting that Ms. Sally Lukenbill, Executive Director of the Board, had an update to the agenda. Ms. Lukenbill stated that Consent Item 3 on Calander B, for the Adult Local Criminal Justice Facility project in Alameda County, would be pulled from the agenda. Ms. Lukenbill specified that the Board received a number of opposition letters related to that item, and would like to better understand the concerns raised before proceeding. However, Ms. Lukenbill noted that the item would be heard at a future Public Works Board meeting.

BOND ITEMS:

The first order of business was to consider two bond items.

Bond Item 1: If approved, Bond Item 1 would adopt a resolution authorizing actions to provide for interim financing, authorizing the sale of lease revenue bonds, approving the form of, and authorizing the execution and delivery of a Project Delivery Agreement, and other related actions for the Adult Local Criminal Justice Facilities Project in Mendocino County for the Board of State and Community Corrections.

Ms. Lukenbill stated that Bonds would be issued for the project in an amount not to exceed \$25 million.

Mr. Palmer asked if there were any questions or comments from the Board, or from the public. There were none.

A motion was made by Mr. Tavares and seconded by Mr. Oppenheim to approve Bond Item 1. The motion passed unanimously through a 5-0 roll-call vote (Mr. Palmer, Ms. Osborn, Mr. Tavares, Mr. Oppenheim, and Mr. Fowler all voting aye).

Bond Item 2: If approved, Bond Item 2 would rescind the resolution adopted by the Board on November 17, 2023 that, among other things, authorized actions to be taken to provide for interim financing and declared the official intent of the Board to reimburse certain capital expenditures, and adopt a new resolution authorizing actions to provide for interim financing and declare the official intent of the Board to reimburse certain capital expenditures, authorizing the sale of lease revenue bonds, approving the form of and authorizing the execution and delivery of a Project Delivery Agreement, and other related actions for the South East Underground Parking Structure project in Los Angeles County for the Office of Exposition Park Management.

Ms. Lukenbill stated that the rescission of the resolution approved on November 17, 2023, was necessary to correct minor errors to the cited authority. The new resolution corrects those citations.

Ms. Lukenbill stated Total project costs were anticipated at \$351.5 million; \$14 million of which is currently authorized for the sale of bonds.

Mr. Palmer asked if there were any comments or questions from the Board or public on Bond Item 2. There were none.

A motion was made by Ms. Osborn and seconded by Mr. Tavares to approve Bond Item 2. The motion passed unanimously through a 5-0 roll-call vote (Mr. Palmer, Ms. Osborn, Mr. Tavares, Mr. Oppenheim, and Mr. Fowler all voting aye).

Mr. Palmer thanked and excused Mr. Oppenheim and Mr. Fowler.

MINUTES:

The next order of business was to approve the minutes from the November 17, 2023, Board meeting.

Ms. Lukenbill stated Staff has prepared and reviewed the minutes from the November 17, 2023, Board meeting and recommended approval of those meeting minutes.

Mr. Palmer asked if there were any questions or comments from the Board or the public. There were none.

A motion was made by Mr. Tavares and seconded by Ms. Osborn to approve the minutes. The motion passed unanimously through a 3-0 roll-call vote (Mr. Palmer, Ms. Osborn, and Mr. Tavares all voting aye).

The next order of business before the Board was to consider Consent Calendar A, which was presented by Ms. Lukenbill.

CONSENT CALENDAR A: Consent Calendar A included two Items for projects within the Natural Resources Agency, and Mr. Cash, Deputy Assistant Secretary, Natural Resources Agency, joined as a voting member.

- Consent Item 1: The requested action would authorize an acquisition of real property and the execution of a Property Acquisition Agreement, and any such documents as may be required to complete the acquisition for the Nonresidential Center, Los Angeles Acquire Existing Nonresidential Center project in Los Angeles County for the California Conservation Corps (the Corps).

This request would authorize the acquisition of an approximately 0.33-acre parcel of land improved with a two-story masonry building of approximately 12,000 square feet with a secured perimeter located at 4366 South Main Street in the city of Los Angeles. The property is owned by the city of Los Angeles and is currently leased to the Corps for \$1 per month.

The purchase price for the property was \$2.2 million (Proposition 68).

- Consent Item 2: The requested action would authorize an acquisition of real property and the execution of a Property Acquisition Agreement, and any such documents as may be required to complete the acquisition for the Upper Truckee River Restoration Acquisition — Knox Johnson-Motel 6 project in El Dorado County for the California Tahoe Conservancy (Conservancy).

This request was part of the Conservancy's opportunity acquisitions program. This property consists of two adjacent parcels of land totaling approximately 31 acres. The property was made available for purchase through a court administered process and ultimate approval of the sale of the property is subject to court approval, which would occur after this meeting. The acquisition cost of both parcels is \$15.4 million (General Fund, Proposition 68, and Reimbursement authority). In the event the court approves the sale of only a portion of the property, there would be a corresponding reduction in the purchase price.

Mr. Palmer asked if there were any questions or comments from the Board, or from the public. There were none.

A motion was made by Mr. Cash and seconded by Mr. Tavares. The motion passed unanimously through a 4-0 roll-call vote (Mr. Palmer, Ms. Osborn, Mr. Tavares, and Mr. Cash all voting aye).

Mr. Palmer thanked and excused Mr. Cash.

CONSENT CALENDAR B:

The next order of business before the Board was to consider Consent Calendar B, which included two Items, presented by Ms. Lukenbill.

- Consent Item 1: The requested action would recognize a scope change, approve preliminary plans, and recognize an anticipated deficit of \$309,000 (General Fund) for the One New Shelled Courtroom for One New Judgeship project in Kings County, for the Judicial Council of California.

Ms. Lukenbill stated that this item required a 20-day letter to the Joint Legislative Budget and fiscal committees in each house, and the letter was sent on November 17, 2023, and the notification period has expired without adverse comment.

- Consent Item 2: The requested action would recognize a scope change and revised project costs for the Wasco State Prison - Health Care Facility Improvement Program projects in Kern County, for the Department of Corrections and Rehabilitation.

The Health Care Facility Improvement projects at Wasco State Prison included eight sub projects. However, the current scope for two of the eight projects will result in significant delays and additional costs for the planned renovations. To mitigate these issues, CDCR evaluated the remaining scope of work and determined that portions of the remaining renovations are not needed, allowing CDCR to modify the scope while maintaining the project's original intent of providing an appropriate level of health care services and to remedy deficiencies in the delivery of those services.

Ms. Lukenbill stated that this item also required a 20-day letter to the Joint Legislative Budget and fiscal committees in each house, and the letter was sent on November 17, 2023, and the notification period has expired without adverse comment.

Total project costs for the Wasco State Prison - Health Care Facility Improvement Program projects are \$89.4 million.

Mr. Palmer asked if there were any questions or comments from the Board, or from the public. There were none.

A motion was made by Mr. Tavares and seconded by Ms. Osborn. The motion passed unanimously through a 3-0 roll-call vote (Mr. Palmer, Mr. Tavares, and Ms. Osborn all voting aye).

ACTION ITEMS:

The next order of business before the Board was to consider one Action item.

Action Item 1: If approved, the requested action would approve performance criteria and recognize an anticipated deficit for the Southern Region: Emergency Operations Center project in Orange County for the Office of Emergency Services.

The project included the transfer of jurisdiction of 15-acres at the former Fairview Developmental Center in Costa Mesa, demolition of facilities on that site, and construction of an approximately 32,000 square foot essential services emergency operations center and an approximately 20,000 square foot warehouse, for the storage of emergency supplies and Public Safety Communications radio maintenance shop, as well as public parking for the main building and secured parking for staff and the mobile command vehicles. Construction was scheduled to be completed prior to the Los Angeles 2028 Summer Olympics.

To best ensure that the facility would be operational by summer 2028, the requested action precedes the submission of a Final Environmental Impact Report and Notice of Determination, and completion of the Transfer of Jurisdiction. The Department of Finance would not authorize award of the design-build contract until these outstanding requirements are satisfied.

Currently, the design-build phase was estimated to cost \$191.5 million, a deficit of \$16.9 million. This deficit primarily results from a recent construction cost increase, more extensive abatement and sitework than originally anticipated, larger photovoltaics system required to achieve a Zero Net Energy facility, additional environmental mitigation measures identified in the Draft EIR, additional equipment, and an increased Builder's Risk insurance premium.

Mr. Palmer asked if there were any questions or comments from the Board, or from the public. There were none.

A motion was made by Ms. Osborn and seconded by Mr. Tavares. The motion passed unanimously through a 3-0 roll-call vote (Mr. Palmer, Mr. Tavares, and Ms. Osborn all voting aye).

OTHER BUSINESS:

Mr. Palmer noted that there was no other business,

GENERAL PUBLIC COMMENT:

Mr. Palmer asked if there were any other questions or comments from the Board, or from the public. There were none.

REPORTABLES:

Mr. Palmer stated that Staff would now present the Reportables for the period of November 7, 2023, through November 27, 2023.

Ms. Lukenbill stated that the reportable items were included in the staff analysis and in the briefing packet.

Mr. Palmer asked if there were any other questions or comments from the Board, or from the public. There was one comment from Mr. Richard Spiegelman from Alameda County. Mr. Spiegelman noted his appreciation that Consent Item 3 from Calendar B was pulled, and indicated he hoped to be present for public comment and discussion at a future meeting.

NEXT MEETING:

Mr. Palmer stated that the next Board meeting was scheduled for Friday, January 12, 2024. The location of the meeting will be posted on the Board's website.

Mr. Palmer asked if there were any other questions or comments from the Board or from the public. There were none.

The meeting was concluded.