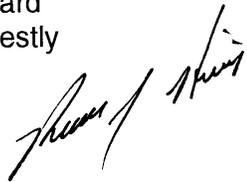


Memorandum

To : Honorable John Chiang, Chair
Honorable Claude Parrish, Vice Chairman
Ms. Betty T. Yee, Acting Member
Honorable Bill Leonard
Honorable Steve Westly

Date : December 2, 2005

From : Ramon J. Hirsig
Executive Director



Subject : ***Executive Director's Report – December 13, 2005***
Headquarters Windows Project Update

While the Board of Equalization received \$690,000 in the 2005-06 State budget to survey its Headquarters' curtain wall problem and develop a plan for repairs, the current condition of the building's spandrel glass presents a danger that demands repairs be completed as soon as possible. Additional funding must be made available in the current fiscal year to accelerate repairs; preliminary cost estimates are expected to go above the \$11.6 million figure reported earlier.

The BOE is asking the Department of General Services to explore the possibility of refinancing the 450 N Street property as a means to fund the urgently needed repairs. The Department of Finance has also been asked to consider providing emergency or contingency funding for the project.

BOE staff has indicated to the Department of Finance that the agency's headquarter operations are critical to its revenue collection and other administrative responsibilities in the State of California. To ensure that operations continue uninterrupted and without incident, it is necessary to expedite repairs and provide safe working conditions at the downtown Sacramento property.

Additionally, staff has received the Emergency Survey Investigation Report from McGinnis Chen Associates LLP, which recommends accelerating the preliminary design and testing in order to complete the development plan, put the work out to bid, and begin construction as soon as possible.

The DGS has provided an accelerated construction schedule which will complete repairs to the spandrel glass by June 2006 and the remainder by the end of 2006.

Because the situation continues to evolve rapidly, discussion of this agenda item at the December 13, Board meeting will allow us the opportunity to provide an update on the progress that has been made. I have also asked that representatives from the Department of General Services be available to respond to any questions you might have.

RJH:rar

cc: Ms. Audrey Noda
Mr. Neil Shah
Ms. Sylvia Tang
Ms. Barbara Alby
Ms. Marcy Jo Mandel

ITEM P1-2
12/13/05