

Fiscal Year [2010-2011]

TITLE OF PROPOSAL

Board of Equalization Facilities

DIVISION PRIORITY NUMBER

PROGRAM IMPACTED

Headquarters/San Diego District Office Programs

SUMMARY OF REQUEST (including impact if request denied)

The Board of Equalization (BOE) requests funding to relocate its Headquarters (HQ) and San Diego (SD) District staff.

The HQ facility is to include a main campus where business efficiencies can be realized and employee health and safety is not impacted by building construction deficiencies. Working conditions in the HQ facility have been impacted by mold and fungal growth, and the facility has a history of water intrusion, elevator malfunctions, and continuous remediation and repair that disrupts BOE's core business operations on a daily basis. The SD facility contains hazardous materials, such as asbestos and lead-based paint. There are currently 76 facility-related Worker's Compensation (WC) claims related to the HQ building and 9 WC claims related to the SD building.

BACKGROUND/HISTORY

The HQ facility has a long list of documented problems, including the discovery of mold and fungal growth in areas throughout the building, which has closed entire floors. Several consultants have reported and identified other problems, including the elevators, which will require full renovation and modernization. Since 2005, the facility has been under continuous construction requiring constant employee moves from floor to floor. The current remediation project, scheduled through February 2011, requires relocating full floors of employees to "swing spaces" in order to accommodate construction needs. The HQ facility was estimated at 600 employees over capacity but with the approval of FY09/10 funds, approximately 633 employees will move to temporary locations. (Continued on back)

STATE LEVEL CONSIDERATIONS (including impact to other departments)

BOE collects over one-third of the State's revenue. If BOE receives funding to relocate to new facilities where issues of repair and remediation are not constant disruptions, employees will be able to work more efficiently and effectively to meet BOE's core business function of collecting the State of California's revenues.

JUSTIFICATION (including link to Strategic Plan)

This proposal is consistent with the BOE's Strategic Plan:

Goal 3: Improve the BOE's organizational efficiency; and

Goal 5: Foster a skilled, motivated, and diverse workforce by providing a safe and healthy work environment that allows employees to work efficiently and effectively.

COSTS AND BENEFITS (BUDGET YEAR ONLY – FISCAL YEAR)

New funding Continuation Redirection

COST

\$ HQ \$20.9 M/\$11.6 M Ongoing; SD \$8.8 M/\$6.9 M Ongoing

REVENUE (if applicable)

\$ N/A

POSITIONS (if applicable)

N/A

COST SAVINGS (if applicable)

\$ N/A

PREPARED AND APPROVED

PREPARED BY

Charlene Yount

DIVISION CHIEF APPROVAL

AUTHOR'S TELEPHONE NUMBER

(916) 445-3498

DATE

July 2, 2009

ACTION

Concept Approved Request Denied

EXECUTIVE DIRECTOR (signature)



REQUEST FOR CONECTUAL APPROVAL

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BACKGROUND/HISTORY (Continued):

The SD facility was built in the 1970s, using what is now known to be hazardous construction material (asbestos), thereby making modification or repairs difficult, costly, and in some cases, impossible. In addition to numerous American Disabilities Act compliance issues, the SD facility no longer meets existing seismic safety standards or BOE security standards. Further, the present building management has indicated that the building has been identified as surplus and will be sold. If it is sold, BOE's lease may not be renewed, requiring relocation to another site.