

Exhibit to Agenda Item #1

Board Strategic Development Committee and Special SMUD Board of
Directors Meeting

Tuesday, March 10, 2020, scheduled to begin at 5:30 p.m.

Auditorium, SMUD Headquarters Building

Purpose

Provide updates and progress on the new Child Development Center:

- Operational Readiness
- Family Relations/Communications
- Construction Plans
- SMUD's Projected Contribution Costs

The Need for Child Care

SMUD's Child Development Center facility significantly aged

Lack of Available Affordable Childcare

- Nationally waiting lists average two years
- Licensed childcare is only available for 27% of working families with children in Sacramento County
- Only 5 licensed childcare facilities in East Sacramento take infants under 2 (3 of them are SMUD, CSUS and UCD Health)

The Vision

A partnership with the vision to provide:

- Increased capacity
- High quality - accredited facility
- Nurturing environment
- Family-centric
- Employee/student focus
- Market rates

Innovative Solution

A partnership established between SMUD, Sacramento State and UC Davis Health

- Collaboration that leverages our collective resources to expand high-quality childcare services for our employees and the community we all serve
- Doubling current capacity with maximum availability of 207
- National Association for the Education of Young Children (NAEYC) accreditation
- Focus on children, families & staff to create a quality experience for all

Innovative Solution Delivers

- ✓ Recruitment and Retention
 - Better meet the childcare needs of current and future SMUD employees
- ✓ Work-Life balance
 - Provide more childcare close to SMUD main campus
- ✓ Goodwill toward current Lighthouse families, operator and staff
 - Ensuring continuity of care for families
 - Ensuring employment opportunity for staff
 - Ensuring wages/benefits will remain at current levels or better
- ✓ Opportunity to partner with other large, local, public employers in the community on a synergistic solution

Employer Agreements

- A Lease Agreement and Multi-Party Agreement between the employers were signed on July 22, 2019
- University Enterprises, Inc. (UEI/affiliated with Sacramento State) is the owner and leaseholder of the property, and is responsible for:
 - Managing the renovation/construction of the facility
 - Contracting with architecture firm to design the facility
 - Submitting plans to the City of Sacramento Planning Office for review and approval
 - Renting the facility to SMUD as the lessee of the facility in the arrangement
- SMUD is the lead organization in the Multi-Party Agreement coordinating the project and operational aspects, which includes:
 - Oversight of the project
 - Release of the Operator RFP and holding the contract with Operator
 - Invoicing and collection of payments from the multi-parties

Child Development Center

- A location central to the 3 employers at 6011 Folsom Blvd has been identified
- The new center is scheduled to open in early 2021
- Children will transition from the Lighthouse Child Development Center, and new families will be brought on
 - ✓ Current families are guaranteed slots; preference will be provided to siblings
 - ✓ Remaining slots are to be divided equitably among the multi-parties as agreed
 - ✓ Some slots will be held open for drop-in childcare
 - ✓ If slots remain unfilled, they may be offered to the community

Commitment to Quality

- The new Child Development Center will be accredited by the NAEYC, which requires adherence to programmatic, operational, educator and facility standards
- The CA Department of Social Services also sets licensing standards for health and safety of day care facilities
- The design and construction of the new center will take into account these requirements, with special emphasis on:
 - Ensuring the well-being of the children
 - The ability to optimize a nurturing atmosphere for the children

Initial Financial Commitment

- An initial commitment was made by each of the parties of \$1.1M for renovations
- Overall construction costs were estimated to be \$4.6M
- On-going annual costs of \$185K are to be paid by each of the parties
 - May be adjusted as costs fluctuate
 - Janitorial, utilities, maintenance, consultant costs, and security

Initial Conceptual Cost Projection

- A collaborative best estimate conducted during the infancy of the project at the stage that is termed **Concept Screening** (Class 5) by Facilities project planning
- SMUD Facilities developed a high-level cost estimate of another similar but smaller & newer facility was used as a basis by UEI to determine an initial cost estimate
- The estimate:
 - Conceptual phase - conservative with value engineering
 - Size-adjusted by square footage
 - Need to capture additional fixtures and other construction requirements for a day care center

Working with UEI on Updated Projected Costs

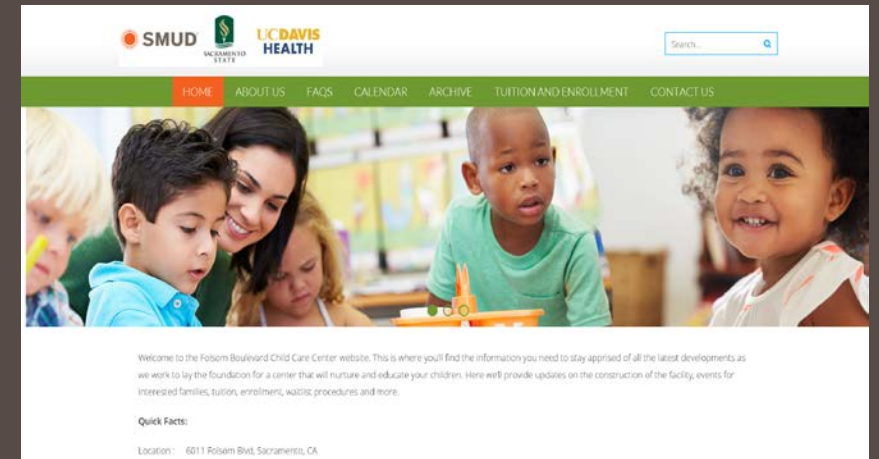
- Condition of property
- Additional plumbing, fixtures, etc. required due to facility size increase and nature of facility
- Designed to optimize quality childcare and development (ex. bathroom in each classroom)
- More durable and sanitary design options
- Playground costs of \$150K were not initially included in the original estimate
- Furniture, fixtures, equipment and shade structure
- Replacement of the driveway and alley at an additional cost of ~\$500K per employer

Center Operational Readiness

- The Lighthouse operator will fully partner with the multi-parties and new operator to work together on a smooth transition for the families
- It is anticipated that the RFP for a center operator will be released this week
 - Posting requirement of 30 days
 - Multi-Parties are participating in the RFP process
 - Lighthouse Parent Advisory to participate in some capacity
- Operator selected, approved and in place by end of August 2020

Family Relations/Communications

- On-going communication with parents/families as we progress
- A website was developed and launched in January 2020 to keep parents apprised <https://folsomblvdchildcare.org/>
- The Lighthouse Child Development Center has seen an increase in new family requests
- An interest list is being maintained in anticipation of the new center



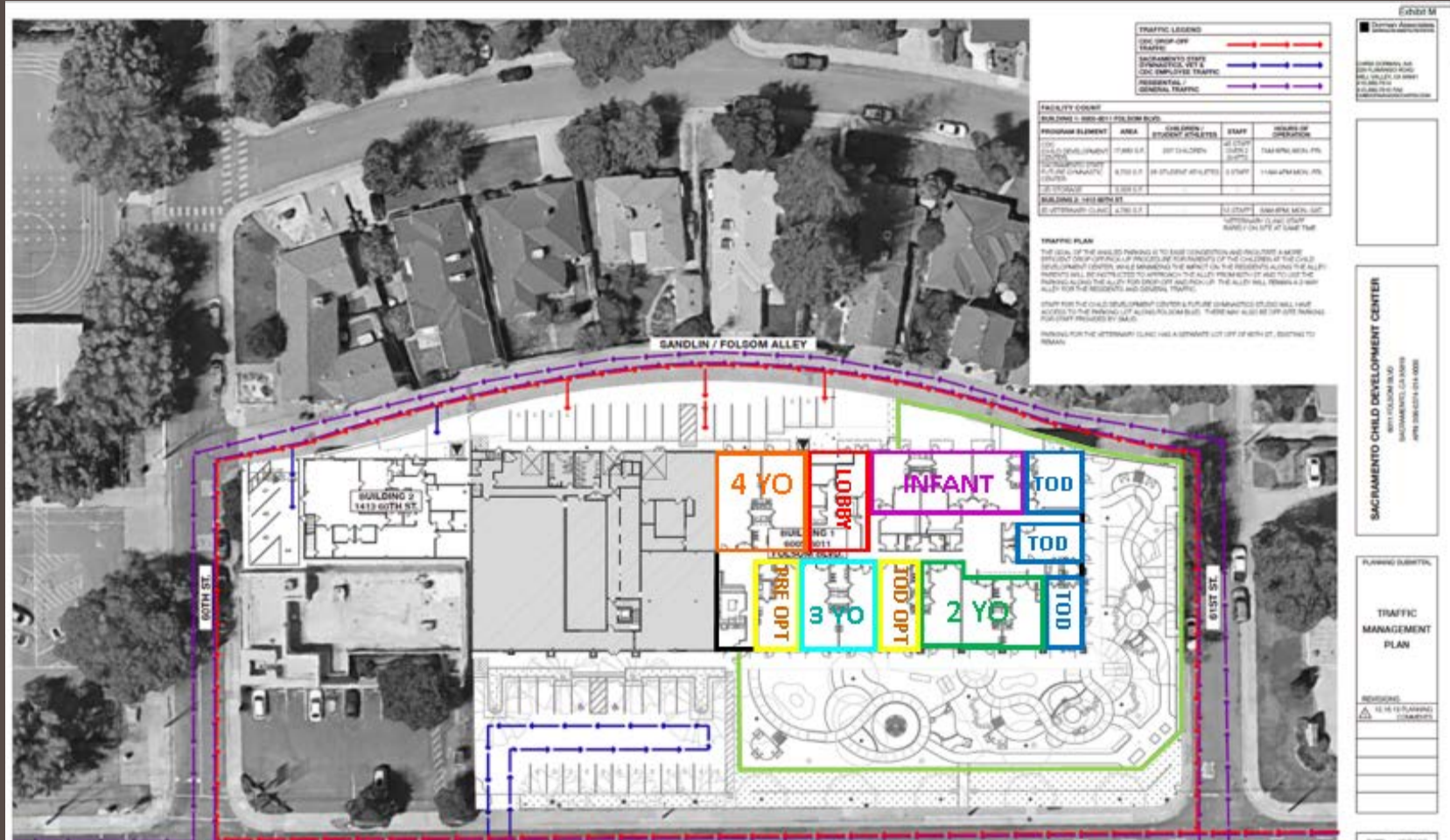
Center Construction Plans

- UEI, as lead on the construction project, selected Dorman Associates, Inc. architectural firm in August 2019 to assist in the design of the center
- SMUD and UEI are working together on electrification of facility systems for the center
- Drawings for the center were submitted and approved with conditions by the City of Sacramento Community Development office on Friday, February 21st

Current View of 6011 Folsom Blvd Location



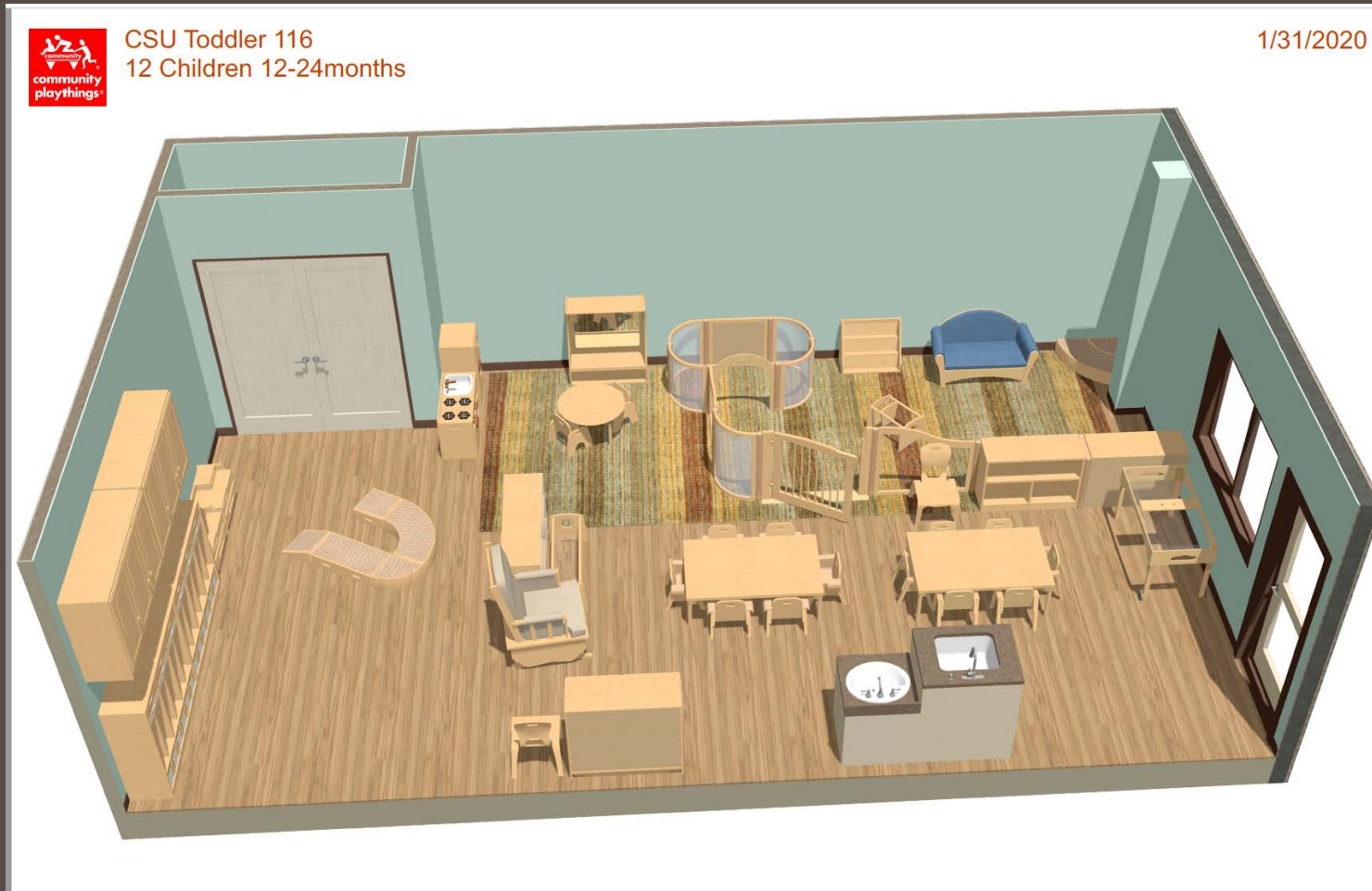
New Center Design



New Center Exterior

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| <p> KELLY MOORE - KM341 SUNDOWN LOCATIONS: • STUCCO AND AWNING FASCIA/ BRACING @ TODDLER OPT. & 2 Y/O CLASSROOM ENTRIES</p> <p> KELLY MOORE - KM545 SUNDAY BEST LOCATIONS: • STUCCO AND AWNING FASCIA/ BRACING @ TODDLER CLASSROOM ENTRIES</p> <p> KELLY MOORE - KM593 PURPLE DRAGON LOCATIONS: • STUCCO AND AWNING FASCIA/ BRACING @ INFANT CLASSROOM ENTRIES</p> <p> KELLY MOORE - KM505 CIELO LOCATIONS: • STUCCO AND AWNING FASCIA/ BRACING @ 4 Y/O CLASSROOM ENTRIES</p> | <p> KELLY MOORE - KM532 SOFT BLUE LOCATIONS: • STUCCO • WALL BRICK • COLUMNS • DIAGONAL BRACING</p> <p> KELLY MOORE - KM57 CLOUD WHITE LOCATIONS: • COLUMNS BRICK • STUCCO • ROOF FASCIA</p> <p> KELLY MOORE - KM555 CABANA BAY LOCATIONS: • AWNING FASCIA & BRACING @ MAIN ENTRIES</p> <p> KELLY MOORE - KM330 HELLO YELLOW LOCATIONS: • STUCCO AND AWNING FASCIA/ BRACING @ PRE-SCHOOL OPT. & 3 Y/O CLASSROOM ENTRIES</p> |  <p style="text-align: right;">NORTH ENTRY VIEW</p> | <p><small>© 2019 Kelly Moore & Associates, Inc. All rights reserved. No part of this document may be reproduced without written permission from Kelly Moore & Associates, Inc.</small></p> <p>KELLY MOORE & ASSOCIATES 209 PLUMBING ROAD MILL VALLEY, CA 94541 415.380.7514 415.380.7515 FAX K@KMOOREANDASSOCIATES.COM</p> | | | | | | |
| <p> BARN LIGHT PENDANT 1 CENTERED @ EACH AWNING. COLOR TO MATCH ACCENT PAINT</p> <p> BRICK VENEER WALLS PAINTED GENERAL BUILDING COLOR</p> |  <p style="text-align: right;">NORTHEAST VIEW</p> | <p>SACRAMENTO CHILD DEVELOPMENT CENTER 8011 FOLSOM BLVD SACRAMENTO, CA 95819 APR. 098-0274-014-0000</p> | <p>PLANNING SUBMITTAL</p> <p>(N) EXTERIOR RENDERINGS</p> <p>REVISIONS</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td> </td></tr> <tr><td> </td></tr> <tr><td> </td></tr> <tr><td> </td></tr> <tr><td> </td></tr> <tr><td> </td></tr> </table> <p>DATE: 10/24/19 SHEET</p> | | | | | | |
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Classroom Design



Next Steps

- Completion of the Operator RFP and selection of an Operator
- Continue collaboration with UEI on cost estimates
- Maintain ongoing communication with parents, families & staff to keep apprised of progress
- Outline draft transition plan
 - Current & future operator to provide significant input

QUESTIONS