



STAFF ANALYSIS

STATE PUBLIC WORKS BOARD

*Monday, January 13, 2020 at 10:00 a.m. in
Room 113, State Capitol, Sacramento, California*

I.	Roll Call		
II.	Bond Items	Page	2
III.	Minutes	Page	5
IV.	Consent Items	Page	6
V.	Other Business	Page	13
VI.	Reportables	Page	13

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 Internet at: <http://www.spwb.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 Kathryn Lee at (916) 445-9694 or e-mail to Kat.lee@dof.ca.gov, five days prior to the meeting.

BOND ITEMS

BOND ITEM—1

CALIFORNIA HIGHWAY PATROL (2720) EL CENTRO AREA OFFICE REPLACEMENT IMPERIAL COUNTY

*Authority: Budget Act of 2016, Item 2720-301-0044 (2)
Budget Act of 2019, Items 2720-301-0044 (2) and 2720-301-0660 (1)*

Consider adoption of a resolution to:

- 1. Authorize actions to be taken to provide for interim financing and declare the official intent of the Board to reimburse certain capital expenditures from the Public Buildings Construction Fund 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 and delivery of a Project Delivery Agreement between the Department of General Service and the Board, with consent of the California Highway Patrol.**
- 4. Authorize and direct Executive Director and Deputy Directors to take any and all such actions and to execute and deliver any documents as may be necessary to carry out the purpose of this resolution.**

Total Bond Appropriation **\$41,938,000**

STAFF ANALYSIS ITEM—1

California Highway Patrol
El Centro Area Office Replacement
Imperial County

Action Requested

If approved, the requested action would adopt a resolution authorizing actions to be taken to provide for interim financing, authorize the sale of lease revenue bonds, and other related actions.

The Legislature has authorized the Board to issue lease revenue bonds to finance certain costs for this project. It is anticipated that certain capital expenditures will need to be made prior to the Board issuing bonds for this project. The proposed resolution will authorize actions to be taken to cause interim loans to be made from the General Fund or the Pooled Money Investment Account to pay for these costs. The proposed resolution also authorizes the sale of lease revenue bonds for the reimbursement of capital expenditures for the project and repayment of the interim loans.

Scope Description

This project is within scope. The state acquired a 7-acre site in May 2018 to construct a 27,481 square-foot single story main building with a dispatch center and a 6,537 square-foot auto service building, both of which will be built to Essential Services Standards. The project includes public parking for the main building and secured covered parking for the patrol

vehicles. Additional site improvements include fencing, flagpole, fuel island canopy, emergency generator, communication tower, landscaping and utilities.

Funding and Cost Verification

The project is within cost. The Budget Act of 2016 provides \$3,159,000 for the acquisition and performance criteria phases and the Budget Act of 2019 provides an additional \$143,000 for performance criteria as well as \$41,938,000 for design-build. The \$143,000 supplement was ultimately was not needed as the results of the initial Request for Qualifications remain valid.

\$45,240,000	Total authorized project costs
\$45,240,000	Total estimated project costs
\$3,159,000	Costs previously allocated: \$1,700,000 for acquisition and \$1,459,000 for performance criteria
\$41,938,000	Costs to be allocated: \$41,938,000 for design-build (\$35,283,000 contract, \$1,058,000 contingency, \$2,077,000 A&E, \$3,142,000 other and \$378,000 agency retained)
\$143,000	Project savings: \$143,000 performance criteria

CEQA

The California Highway Patrol filed a Notice of Determination with the State Clearinghouse on August 10, 2018, and the 30-day statute of limitations expired without challenge.

Real Estate Due Diligence

A Summary of Conditions Letter for this project was completed by the Department of General Services on December 20, 2019, and no issues that would adversely affect the beneficial use and quiet enjoyment of the project were identified.

Project Schedule

Approve acquisition	May 2018
Approve performance criteria	November 2018
Start design-build	January 2020
Complete design-build	September 2022

Staff Recommendation: Adopt resolution.

BOND ITEM—2

DEPARTMENT OF GENERAL SERVICES (7760)
SACRAMENTO REGION: NEW RICHARDS BOULEVARD OFFICE COMPLEX
SACRAMENTO COUNTY

*Authority: Budget Act of 2018, Item 7760-301-0001 (4)
Budget Act of 2019, Item 7760-301-0660 (1)*

Consider adoption of a resolution to:

1. Authorize actions to be taken to provide for interim financing and declare the official intent of the Board to reimburse certain capital expenditures from the Public Buildings Construction Fund 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 and delivery of a Project Delivery Agreement between the Department of General Services and the Board.
4. Authorize and direct Executive Director and Deputy Directors to take any and all such actions and to execute and deliver any documents as may be necessary to carry out the purpose of this resolution.

Total Bond Appropriations \$1,014,598,000

STAFF ANALYSIS ITEM—2

Department of General Services
Sacramento Region: New Richards Boulevard Office Complex
Sacramento County

Action Requested

If approved, the requested action would adopt a resolution authorizing actions to be taken to provide for interim financing, authorize the sale of lease revenue bonds, and other related actions.

The Legislature has authorized the Board to issue lease revenue bonds to finance certain costs for this project. It is anticipated that certain capital expenditures will need to be made prior to the Board issuing bonds for this project. The proposed resolution will authorize actions to be taken to cause interim loans to be made from the General Fund or the Pooled Money Investment Account to pay for these costs. The proposed resolution also authorizes the sale of lease revenue bonds for the reimbursement of capital expenditures for the project and repayment of the interim loans.

Scope Description

This project is within scope. The approved project includes construction of a new office campus of approximately 1.3 million gross square feet on the state property at the corner of Richards Boulevard and North Seventh Street, through design-build delivery. The site currently holds the State Printing Plant, which has been approved for demolition and hazardous materials remediation. Proposed tenants include the Department of Tax and Fee Administration and various departments within the Business, Consumer Services and Housing Agency.

The office complex is conceptually envisioned to consist of several 11-13 story office buildings with a multi-floor podium as the base for the tower. Other site improvements are expected to include a multi-story parking garage (1,020 spaces) and an additional 400 surface parking spaces. The project will also include space for a cafeteria, auditorium, retail and childcare. The project will target Zero Net Energy and LEED Silver at a minimum.

Funding and Cost Verification

The project is within cost. The Budget Act of 2018 provided \$18,053,000 for the performance criteria phase of this project, and the Budget Act of 2019 proved \$1,014,598,000 for the design-build phase.

- \$1,032,651,000 Total authorized project costs.
- \$1,032,651,000 Total estimated project costs.
- \$18,053,000 Costs previously allocated: \$18,053,000 performance criteria.
- \$1,014,598,000 Project costs to be allocated for design-build: \$940,000,000 contract, \$28,200,000 contingency, \$14,174,000 A&E, and \$32,224,000 other project costs.

CEQA

The Department of General Services filed a Notice of Determination with the State Clearinghouse on June 10, 2019, and the 30-day statute of limitations expired without challenge.

Real Estate Due Diligence

A Summary of Conditions Letter for this project was completed by the Department of General Services on July 10, 2019, and no issues that would adversely affect the beneficial use and quiet enjoyment of the project were identified.

Project Schedule

Approve performance criteria	July 2019
Award Design-Build Contract	February 2020
Start Construction	March 2020
Estimated project completion	March 2024

Staff Recommendation: Adopt resolution.

MINUTES

Consider approving the minutes from the December 13, 2019 meeting.

Staff have reviewed the minutes from the December 13, 2019 meeting and recommend approval.

Staff Recommendation: Approve minutes from the December 13, 2019 meeting.

CONSENT ITEMS - CALENDAR A

CONSENT ITEM—1

CALIFORNIA DEPARTMENT OF FORESTRY AND FIRE PROTECTION (3540)
SHASTA TRINITY UNIT HEADQUARTERS/NORTHERN OPERATIONS: RELOCATE
FACILITY
SHASTA COUNTY

*Authority: Budget Act of 2017, Item 3540-301-0001(4)
Budget Act of 2019, Item 3540-301-0001(3)
Government Code Section 14673.9*

Consider authorizing:

- a) Acquisition of real property
- b) Execution of a Property Exchange Agreement and other such documents as may be required to complete the acquisition

STAFF ANALYSIS ITEM—1

Department of Forestry and Fire Protection
Shasta Trinity Unit Headquarters/Northern Operations: Relocate Facility
Shasta County

Action requested

If approved, the request will authorize the acquisition of real property and the execution of a Property Exchange Agreement and other such documents as may be required to complete the acquisition.

Background

Government Code Section 14673.9 authorized the state to sell, exchange, lease, or any combination thereof, all or a portion of the existing Shasta Trinity Unit Headquarters (SHU UHQ) located at 875 Cypress Avenue in the City of Redding (Cypress Property), with the proceeds to be used to acquire or lease a substitute location and substitute facilities for the design and construction of a new SHU UHQ.

Any exchange, lease, or sale of the Cypress Property is to be for no less than fair market value, and compensation may include land, or a combination of land, improvements, and money. In exchange for the Cypress Property, the state would acquire an approximately 35 acres of city-owned land located on Venture Parkway, approximately 1.3 miles southeast from the intersection of Airport Road and Venture Parkway, in the city of Redding, Shasta County (the Property).

Scope Description

This project is within scope. This request will authorize the acquisition of the Property. The Property is intended to be the site for a new joint Department of Forestry and Fire Protection (CalFire) facility to co-locate the SHU UHQ and several Northern Region Operations - Redding (NOPS) facilities. The site is currently vacant pasture land with gated access from Venture Parkway. The surrounding vicinity generally consists of similar vacant pasture land.

Funding and Cost Verification

This project is within cost. A total of \$4,694,000 General Fund has been appropriated for acquisition (\$365,000) and preliminary plans (\$4,329,000). The Property can be acquired with the funds available and in accordance with legislative intent.

CEQA

CalFire filed a Notice of Exemption with the State Clearinghouse, on September 13, 2019, and the 35-day statute of limitations expired without challenge. Further CEQA review will be conducted after the project commences.

Condition of Property Statement

The Department of General Services (DGS) conducted a site visit in January 2018 to assess the general condition of the Property. The site is vacant, relatively flat, lacks vegetation, and is surrounded by vacant parcels. Water, sewer, and power lines are installed within Venture Parkway. The property is zoned General Industry-Planned Development (GI-PD). The Property is in Federal Emergency Management Agency flood Zone X.

Phase I Environmental Site Assessment (ESA) Summary

A Phase I ESA was conducted in June 2019 and no evidence of potential recognized environmental conditions were found on the site or on adjacent properties.

Project Schedule

Estimated close of escrow: January 2020

Other:

- The Board approved site selection of the Property on November 15, 2018.
- The value of the Cypress Property is greater than the value of the Property. To satisfy the exchange value difference (EVD), the City of Redding will abate CalFire's monthly rent, for the lease back of the Cypress Property which CalFire is renting until the new SHU UHQ can be built. Once the City fully satisfies payment of the EVD, the rent abatement period shall end, and thereafter, CalFire will pay the monthly rent to the City for the remaining term of the lease.
- The purchase price does not exceed the estimated fair market value of the Property as determined by a DGS approved appraisal.
- CalFire will transfer jurisdiction of the existing tower and vault, located on the Cypress Property, to the Office of Emergency Services, and thus, the City will not be acquiring this portion of the Cypress Property.
- There are no historical issues or implied dedications associated with either property.
- No relocation assistance is required.
- DGS, CalFire, and the City are not aware of any lawsuits pending concerning either of the properties. The Property Exchange Agreement will require delivery of title to the selected property free and clear of any mortgages or liens.
- The proposed project location is consistent with the state's planning priorities in accordance with Government Code Section 65041 et seq. State ownership of this property will allow CalFire to better serve and continue to protect the state's properties and natural resources.

Staff Recommendation: Authorize the acquisition of real property and the execution of a Property Acquisition Agreement and other such documents as may be required to complete the acquisition.

CONSENT ITEMS - CALENDAR B

CONSENT ITEM—1

**CALIFORNIA DEPARTMENT OF FOOD AND AGRICULTURE (8570)
NORTH VALLEY ANIMAL HEALTH AND SAFETY LABORATORY, TURLOCK:
LABORATORY REPLACEMENT
STANISLAUS COUNTY**

Authority: Budget Act of 2017, Item 8570-301-0001 (1)

Consider authorizing:

- a) An above market value acquisition of real property**
- b) Execution of a Property Acquisition Agreement and other such documents as may be required to complete the acquisition**

STAFF ANALYSIS ITEM—1

California Department of Food and Agriculture
North Valley Animal Health and Safety Laboratory, Turlock: Laboratory Replacement
Stanislaus County

Action requested

If approved, the request would authorize an above market value acquisition of real property and the execution of a Property Acquisition Agreement and other such documents as may be required to approve the acquisition.

The acquisition consists of an approximately 30 acre parcel located in the City of Turlock, County of Stanislaus (the Property). The Property is proposed to be acquired for \$2,300,000, which is \$570,000 greater than the appraised value of \$1,730,000. While above market value, staff recommends proceeding with this acquisition for the following reasons:

- There is a public purpose and benefit to relocating the Turlock North Valley Laboratory (the Project).
- The search for a site in Turlock and the surrounding area, within the appraised value, has been exhausted. While above market value, there are certain cost avoidances realized by purchasing the Property. For example, the site is close to a frontage road where utilities are easily available. Acquiring another site would likely require the installation of a well and other utilities, which would increase project costs.
- DGS evaluated 13 potential sites and, the Property was determined to be the only suitable site for the Project. The Property meets the following criteria that the California Department of Food and Agriculture (CDFA) set prior to site selection: no closer than a quarter mile from a dairy and a cold storage facility to limit the possibility of cross contamination from diseased animal carcasses at the laboratory, access from the primary road accommodates appropriate visibility for semi-truck drivers, the Property has access to water and natural gas, and the Property has reduced potential for urban encroachment.
- Delaying the project, to continue looking for additional sites will likely result in cost escalation of 5 percent per year in project costs or about \$3.1 million per year of delay.

Scope Description

This project is within scope. This request will authorize the acquisition of the Property, for construction of a new Animal Health and Safety Laboratory to replace the outdated and undersized Turlock North Valley Laboratory. The Project will include administrative offices, necropsy facilities, and laboratory support space.

Funding and Cost Verification

This project is within cost. The Budget Act of 2017 appropriated \$3,088,000 for acquisition. The Property can be acquired within the funds available and in accordance with legislative intent.

CEQA

The Department of General Services (DGS) filed a Notice of Exemption for the acquisition phase of the Project, on behalf of CDFA, with the State Clearinghouse on November 29, 2018, and the 35-day statute of limitations expired without challenge. Further CEQA review will be conducted before the project commences.

Condition of Property

DGS conducted a site visit in September 2018. The Property is an approximately 30-acre parcel located adjacent to Highway 99, abutting Dianne Drive in the City of Turlock, Stanislaus County. Access is limited to Dianne Drive. The Property is flat with no trees or vegetation and is in Federal Emergency Management Agency flood Zone X.

Phase I and Limited Phase II Environmental Site Assessment (ESA) Summary

A Phase I and limited Phase II ESA were prepared in February 2019. There was one recognized environmental condition, minor soil staining beneath a portable diesel generator tank located within a secured onsite fertilizer pumping compound adjacent to the southerly site boundary. The Property owner has removed the pumping compound and a professional environmental consultant removed the contaminated soil.

Project Schedule

Close of escrow: February 2020

Other

- The approximately 30 acre Property was approved for site selection by the Board on December 14, 2018. The Property is larger than what is needed for the Project; however, the Property owner is unwilling to subdivide for lesser acreage.
- A 25-foot wide easement for a sub ground public irrigation pipeline in favor of Turlock Irrigation Improvement District recorded in April 1980 currently encumbers the property north to south on the easterly one-quarter area. Certain development restrictions apply to the easement area. CDFA is aware that the preliminary site development plan must consider those restrictions.
- There are no historical issues and no implied dedication associated with the property.
- No relocation assistance is required.
- The Property meets the physical and location requirements of CDFA.
- All public utilities are available in close proximity to the Property.
- Neither DGS, nor CDFA 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.
- The proposed location is consistent with the state's planning priorities in accordance with Government Code Section 65041 et seq.

Staff Recommendation: Authorize an above market value acquisition of real property and execution of a Property Acquisition Agreement and other such documents as may be required to approve the acquisition.

ACTION ITEMS

ACTION ITEM—1

HIGH SPEED RAIL AUTHORITY (2665) INITIAL OPERATING SEGMENT, SECTION 1 VARIOUS COUNTIES

Authority: Item 2665-306-0890 (1), Budget Act of 2012, as reappropriated by the Budget Act of 2018
Item 2665-306-6043 (1), Budget Act of 2012, as reappropriated by the Budget Act of 2018
Item 2665-306-3228 (1), Budget Act of 2014
Section 39719(b) (2) of the Health and Safety Code
Section 39719.1 of the Health and Safety Code
Section 15854 of the Government Code

Consider the adoption of Resolutions of Necessity authorizing the use of eminent domain by the High Speed Rail Authority to acquire the following properties for the High Speed Train System:

- 1. Terlip-Backowski Property (Fresno County)**
Authority Parcel Number: MF-10-1003-1
Assessor Parcel Number: 504-092-48s (formerly designated as 504-092-22s)

- 2. DCTN3 388 Fresno Property (Fresno County)**
Authority Parcel Number: MF-10-1008-1
Assessor Parcel Number: 504-092-47S

- 3. Hyeland Farming Property (Fresno County)**
Authority Parcel Numbers: FB-10-0478-1, FB-10-0478-3, FB-10-0478-7, FB-10-0478-10, FB-10-0478-11, FB-10-0478-12, FB-10-0478-13, FB-10-0478-14, FB-10-0478-15, FB-10-0478-16, and FB-10-0478-17
Assessor Parcel Number: 056-080-12S

- 4. Alpaugh Irrigation District Property (Tulare County)**
Authority Parcel Numbers: FB-54-0525-1, FB-54-0525-2, FB-54-0525-3, FB-54-0525-4, FB-54-0525-5, FB-54-0525-6, FB-54-0525-7, FB-54-0525-8, FB-54-0526-1, FB-54-0526-2, FB-54-0526-3; FB-54-0526-4, FB-54-0526-5, FB-54-0526-6, FB-54-0526-7, FB-54-0526-8, FB-54-0526-9, FB-54-0527-1, FB-54-0527-2, FB-54-0527-3, FB-54-0527-4, FB-54-0527-5, FB-54-0527-6, FB-54-0527-7, FB-54-0527-8, FB-54-0527-9, FB-54-0527-10, and FB-54-0528-1
Assessor Parcel Numbers: 313-060-001, 313-050-002, 313-050-010, 313-050-013, and 313-050-014

- 5. McConnell Farms Property (Kern County)**
Authority Parcel Number: FB-15-0208-1
Assessor Parcel Number: 072-010-020

STAFF ANALYSIS ITEM—1

High Speed Rail Authority
Initial Operating Segment, Section 1
Various Counties

Action Requested

Adopt Resolutions of Necessity authorizing the use of eminent domain by the High Speed Rail Authority to acquire a properties for the High Speed Train System.

Background

Under California Eminent Domain Law, the Board is the governing body of the High Speed Rail Authority (Authority) for purposes of adopting a Resolution of Necessity that is required for the Authority to initiate the eminent domain proceedings. To adopt a Resolution of Necessity the Board must consider that the following conditions have been met:

- (A) The public interest and necessity require the project;
- (B) The project is planned or located in the manner that will be most compatible with the greatest public good and the least private injury;
- (C) The property sought to be acquired is necessary for the project; and,
- (D) The offer required by Government Code section 7267.2 has been made to the owner or owners of record.

The properties are within the right of way for the Initial Operating Segment, Section 1, extending from Madera to Shafter, and are within the preferred alignment as previously approved by both the High Speed Rail Authority Board of Directors and the Federal Railroad Administration. Acquisition of these properties will allow the Authority to move forward with construction of the High Speed Train System (HSTS).

The Authority notified the Board's staff that between July 2018 and October 2019 the owners were provided with a first written offer to purchase the subject properties, as required by Government Code section 7267.2. The Authority has informed the Board's staff that negotiations to acquire the properties are continuing; however, to keep the project on schedule, the adoption of Resolutions of Necessity to authorize the use of eminent domain is required.

On December 23, 2019, Notices of Intent to adopt a Resolution of Necessity were mailed by Board staff to the property owners. These notices were sent in accordance with Code of Civil Procedure section 1245.235.

Property Specific Information:

1. Terlip-Backowski Property (Fresno County)

Authority Parcel Number: MF-10-1003-1

Assessor Parcel Number: 504-092-48s (formerly designated as 504-092-22s)

Partial Acquisition: Approximately .07 acre in easement

The property is needed for a storm drain easement parallel to the W. Herndon Avenue grade separation.

2. DCTN3 388 Fresno Property (Fresno County)

Authority Parcel Number: MF-10-1008-1

Assessor Parcel Number: 504-092-47S

Partial Acquisition: Less than .01 acre in easement

The property is needed for a storm drain easement parallel to the W. Herndon Avenue grade separation.

3. Hyeland Farming Property (Fresno County)

Authority Parcel Numbers: FB-10-0478-1, FB-10-0478-3, FB-10-0478-7, FB-10-0478-10, FB-10-0478-11, FB-10-0478-12, FB-10-0478-13, FB-10-0478-14, FB-10-0478-15, FB-10-0478-16, and FB-10-0478-17

Assessor Parcel Number: 056-080-12S

Partial Acquisition: Approximately 15.14 acres total (7.14 acres in fee and 8 acres in easement)

This property is needed for the HSTS between E. Davis Avenue and SR-43 (Highland Avenue).

4. Alpaugh Irrigation District Property (Tulare County)

Authority Parcel Numbers: FB-54-0525-1, FB-54-0525-2, FB-54-0525-3, FB-54-0525-4, FB-54-0525-5, FB-54-0525-6, FB-54-0525-7, FB-54-0525-8, FB-54-0526-1, FB-54-0526-2, FB-54-0526-3; FB-54-0526-4, FB-54-0526-5, FB-54-0526-6, FB-54-0526-7, FB-54-0526-8, FB-54-0526-9, FB-54-0527-1, FB-54-0527-2, FB-54-0527-3, FB-54-0527-4, FB-54-0527-5, FB-54-0527-6, FB-54-0527-7, FB-54-0527-8, FB-54-0527-9, FB-54-0527-10, and FB-54-0528-1

Assessor Parcel Numbers: 313-060-001, 313-050-002, 313-050-010, 313-050-013, and 313-050-014

Partial Acquisition: Approximately 54.73 acres total (44.31 acres in fee and 10.42 acres in easement)

This property is needed for the HSTS between Avenue 68 and Avenue 56, and for the Avenue 56 grade separation.

5. McConnell Farms Property (Kern County)

Authority Parcel Number: FB-15-0208-1

Assessor Parcel Number: 072-010-020

Partial Acquisition: Approximately 1.32 acres in fee

This property is needed for the Poso Avenue grade separation.

Staff Recommendation: Adopt Resolutions of Necessity authorizing the use of eminent domain by the Authority to acquire properties for the HSTS.

OTHER BUSINESS

NONE

REPORTABLES

TO BE PRESENTED AT MEETING