



**CALIFORNIA STATE
PUBLIC WORKS BOARD**

EDMUND G. BROWN JR. • GOVERNOR

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AGENDA WITH ANALYSIS

**NOTICE OF MEETING
STATE PUBLIC WORKS BOARD
Friday, June 8, 2012**

The **STATE PUBLIC WORKS BOARD** will meet on
**Friday, June 8, 2012 at 10:00 a.m. in Room 113, State
Capitol, Sacramento, California.**

In accordance with provisions of section 11125 of the
Government Code, a copy of the Agenda is attached.

Greg Rogers
Administrative Secretary

Attachment

STATE PUBLIC WORKS BOARD

**Friday
June 8, 2012**

10:00 a.m.

Room 113

State Capitol
Sacramento, California

- I.** Roll Call

- II.** Approval of minutes from the May 11, 2012 meeting

- III.** Consent Items Page 3

- IV.** Other Business Page 23

- V.** Reportables Page 23

CONSENT ITEMS

CONSENT ITEM—1

JUDICIAL COUNCIL OF CALIFORNIA (0250)
ADMINISTRATIVE OFFICE OF THE COURTS
NEW LAKEPORT COURTHOUSE
LAKE COUNTY

AOC Facility Number 17-F1

*Authority: Sections 70371.5 and 70371.7 of the Government Code
Chapter 33, Statutes of 2011, Item 0250-301-3138 (6)*

Consider approving:

- a) preliminary plans
- b) a reversion of project savings \$709,000

CONSENT ITEMS

STAFF ANALYSIS ITEM—1

Judicial Council of California
Administrative Office of the Courts
New Lakeport Courthouse
Lake County

Action Requested

If approved, the requested action would approve preliminary plans and revert project savings.

Scope Description

This project is within scope. This project will construct a new four-courtroom, 50,158 square foot facility on approximately five acres in the City of Lakeport in Lake County. The project will consolidate court operations and provide secure parking for judicial officers and staff. Additionally, the project includes surface parking on the courthouse property.

Funding and Cost Verification

This project is within cost. A total of \$9,086,000 has been appropriated for acquisition, preliminary plans, and working drawings. Acquisition costs were less than estimated due to savings on price of land.

\$55,967,000 total authorized project costs
\$55,258,000 total estimated project costs
\$ 4,731,000 project costs previously allocated: \$1,901,000 acquisition, \$2,830,000 preliminary plans
\$50,527,000 project costs to be allocated: \$3,646,000 working drawings, construction \$46,881,000 (\$40,393,000 contract, \$2,020,000 contingency, \$812,000 A&E, \$3,656,000 other)
\$ 709,000 amount to be reverted: acquisition

CEQA

A Notice of Determination was filed with the State Clearinghouse on December 9, 2010, and the 30-day statutes of limitation period expired on January 8, 2011, without challenge.

Project Schedule

Close of escrow	October 2011
Approve preliminary plans	June 2012
Complete working drawings	TBD
Start construction	TBD
Complete construction	TBD

Staff Recommendation: Approve preliminary plans and revert project savings.

CONSENT ITEMS

CONSENT ITEM—2

JUDICIAL COUNCIL OF CALIFORNIA (0250)
ADMINISTRATIVE OFFICE OF THE COURTS
CENTRAL JUSTICE CENTER
ORANGE COUNTY

AOC Facility Number 30-A1 AND 30-A5; DGS Parcel Number 10755

Authority: Trial Court Facilities Act of 2002, Chapter 1082, Statutes of 2002, commencing with Section 70301 of the Government Code, as amended

Consider accepting real property through a transfer of title

CONSENT ITEMS

STAFF ANALYSIS ITEM—2

Administrative Office of the Courts
Judicial Council of California
Central Justice Center
Orange County

Action Requested

If approved, the requested action would authorize the acceptance of real property through a transfer of title.

Scope Description

This transaction is within scope. The requested action would authorize the acceptance of a transfer of title to the Central Justice Center, an adjacent parking lot, and an access easement (Court Facility) pursuant to those certain Transfer Agreements between the Judicial Council of California, Administrative Office of the Courts (AOC) and the County of Orange (County) for the Transfer of Responsibility for, and Transfer of Title to, Court Facilities dated December 8, 2009 (Transfer Agreements). The Court Facility consists of approximately 7.7 acres. The transfer includes: (1) Fee title in and to the 500,371 square foot courthouse commonly known as Central Justice Center (CJC) located at 700 Civic Center Drive West in Santa Ana in Orange County; (2) Fee title in and to the parking lot commonly known as the Flower Street Parking Lot (Parking Lot), located at the southwest corner of Flower Street and Civic Center Drive West, in Santa Ana,

California; and (3) an appurtenant non-exclusive easement providing access from Flower Street to the Parking Lot and to CJC (the Easement).

Following the no-cost transfer of title, the AOC shall be responsible for the funding and operation of the CJC. Funding and operation of the Parking Lot will remain the responsibility of the County during the County Management Period, as set forth in section 4.4.1.1 of the Transfer Agreement for the Flower Street Parking Lot. Funding and operation of the property subject to the Easement will remain with the County, who will retain fee title to the property subject to the Easement.

Funding and Cost Verification

This transaction is within cost. The County shall not be entitled to compensation for any equity value in the square footage occupied by the Superior Court in the Court Facility pursuant to the Trial Court Facilities Act of 2002 (the Act).

CEQA

A Notice of Exemption for the CJC was filed with the State Clearinghouse on September 17, 2009, and the 35-day statutes of limitation expired on October 22, 2009, without challenge. A Notice of Exemption for the Parking Lot and the Easement was filed with the State Clearinghouse on December 21, 2011, and the 35-day statutes of limitation expired on January 24, 2012, without challenge.

Project Schedule

Close of escrow: August 2012

Condition of Property

A Phase 1 Environmental Site Assessment (ESA) was conducted for the building and seismic assessments. The following findings were made:

- A Phase I Environmental Site Assessment was conducted for the building in 2009 and again in 2011. The earlier Phase I reports as well as the new Phase I reports identified the Central Plant, owned and operated by Orange County, as an active leaking underground fuel tank (LUFT) case, and the historic gas station at the corner of Flower and Civic Center as recognized environmental concern (REC) conditions. Due to the presence of these RECs in close proximity, the Phase I reports recommended further investigation (ESA Phase II study) for all three sites. The AOC followed up on the 2009 Phase I report, which included a site survey of the facilities to evaluate appropriate sampling locations to collect soil and soil gas or groundwater samples for further analysis.
- In 2009, the following survey observations were noted:
 - 1) For CJC, the whole area is covered with concrete. Also, this property is sitting on top of a two-story underground parking structure; therefore, it is not economically and/or practically viable for collecting soil samples. In addition, during the construction of the two-story underground parking facility (over 20 feet deep), most likely the original soil would have removed.
 - 2) The Parking Lot is located on the corner of Flower Street and Civic Center Drive West, and the pavement covers most of the available surface area.

Because of physical limitations for sampling at the CJC and Parking Lot sites and available cooperation from Orange County staff, AOC environmental staff decided to review the Phase II and Phase III sampling and monitoring data available for the County Central Plant (LUFT case location). The Groundwater Monitoring data as well as the soil gas evaluation for the Central

Plant indicated that the concentration levels of historic releases are limited in size and within the Central Plant boundary. Several offsite wells in the Parking Lot were periodically monitored and noted no significant contamination; hence, these offsite monitoring wells in the Parking Lot were waiting for removal under the direction of the Regional Water Quality Control Board. The indoor air quality assessment report at the Central Plant also indicated no vapor intrusion related hazards at the Central Plant location. Based on Central Plant environmental assessment reports and data, the AOC has determined that there was no added benefit to conduct further site assessments at CJC or the Parking Lot.

Based on review of new Phase I reports for the facilities CJC and the Parking Lot, and in light of the Central Plant environmental reports and data, it is the AOC's determination that no further site assessment is warranted for these sites.

Building Assessment—Staff from the AOC's Office of Court Construction and Management (OCCM) conducted site visits to the Court Facility to assess the general condition of the property. OCCM concluded that the Court Facility did not contain any apparent hazards to the health and safety of the occupants or property.

Other

- The County approved the Transfer Agreement to transfer title and responsibility of the Court Facility to the state on December 8, 2009 and authorized the Chairman of the County Board of Supervisors to execute the Transfer Agreement, Grant Deed and any other documents necessary for the transfer of responsibility and title to the Court Facility to the state.
- The Transfer Agreement requires that delivery of title to the property would be free and clear of any mortgages or liens. Concurrently with the transfer of title to the Court Facility, the AOC will purchase an owner's policy of title insurance for the Court Facility from the title company.
- The County has agreed to indemnify the state against any known conditions that existed in, on, or under the real property during the period of County ownership.
- The County has agreed to indemnify the AOC for any liability imposed on the AOC pursuant to the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. Sec. 9601 et seq.), or related provisions for conditions at the time of transfer whether known or not known that existed in, on, or under the real property.
- The AOC is not aware of any lawsuits pending concerning the property.
- Following the transfer of title to the court facility the County shall continue to have the exclusive right to occupy and use the County's Exclusive Use Area (322,724 sq. ft), and the nonexclusive right to use the Common Area until such time as the local Superior Court ceases all court operations in the court facility.
- The County's telecommunications and information technology services will be shared by both parties. Each party shall have the rights of ingress, egress and access to enter each other's Exclusive Use area and the shared underground utility conduits, cabling and connections for inspecting, servicing and operation purposes.
- The Joint Occupancy Agreement provides for rights of first refusal in favor of either the County or JCC, in the event that either party desires to vacate the Court Facility, in accordance with Government Code Section 70342(e).
- In accordance with the Act, the transfer includes the same amount of parking that served the Court Facility in October 2001.

- There is no relocation assistance, historic issues, or implied dedication associated with this transfer of title.

Staff Recommendation: **Authorize the acceptance of real property through a transfer of title.**

CONSENT ITEMS

CONSENT ITEM—3

**JUDICIAL COUNCIL OF CALIFORNIA (0250)
ADMINISTRATIVE OFFICE OF THE COURTS
NEW STOCKTON COURTHOUSE
SAN JOAQUIN COUNTY
AOC Facility Number 39-F1**

*Authority: Chapters 171 and 172, Statutes of 2007, Item 0250-301-3037 (7)
Chapters 268 and 269, Statutes of 2008, Item 0250-301-3037 (7), as reappropriated
by the Budget Act of 2009
Chapter 1, Statutes of 2009, Third Extraordinary Session, as amended by Chapter 1,
Statutes of 2009, Fourth Extraordinary Session, Item 0250-301-3037 (11)
Chapter 712, Statutes of 2010, Item 0250-301-0660 (6)*

Consider approving preliminary plans

CONSENT ITEMS

STAFF ANALYSIS ITEM—3

Judicial Council of California
Administrative Office of the Courts
New Stockton Courthouse
San Joaquin County

Action Requested

If approved, the requested action would approve preliminary plans.

Scope Description

This project is within scope. This project will construct a new 30-courtroom, 310,443 square foot facility on 1.5 acres in the City of Stockton in San Joaquin County. The project will consolidate court operations and provide secure parking for judicial officers.

Funding and Cost Verification

This project is within cost. A total of \$272,939,000 has been appropriated for acquisition, preliminary plans, working drawings, and construction. Construction costs estimate of \$248,035,000 includes an increase of \$4,769,000 pending approval of scope change in May 2012.

\$277,708,000 total authorized project costs

\$277,708,000 total estimated project costs

\$ 16,487,000 project costs previously allocated: \$6,570,000 acquisition, and \$9,917,000 preliminary plans

\$261,221,000 project costs to be allocated: \$13,186,000 working drawings and \$248,035,000 construction (\$221,353,000 contract, \$11,068,000 contingency, \$3,418,000 A&E, \$12,196,000 other)

CEQA

A Notice of Determination for Hunter Square was filed with the State Clearinghouse on August 10, 2009, and the 30-day statute of limitation expired on September 9, 2009, without challenge. An addendum adding two additional parcels to the site (33 and 45 Hunter Square) was filed on September 2, 2010, and the 30-day statute of limitation expired on October 1, 2010, without challenge.

Project Schedule

Close of escrow	April 30, 2012 (final parcel)
Approve preliminary plans	June 2012
Complete working drawings	TBD
Start construction	TBD
Complete construction	TBD

Staff Recommendation: Approve preliminary plans.

CONSENT ITEMS

CONSENT ITEM—4

JUDICIAL COUNCIL OF CALIFORNIA (0250)
ADMINISTRATIVE OFFICE OF THE COURTS
NEW SANTA CLARA FAMILY JUSTICE CENTER
SANTA CLARA COUNTY
AOC Facility Number 43-B5

*Authority: Sections 70371.5 and 70371.7 of the Government Code
Chapter 33, Statutes of 2011, Item 0250-301-3138 (13)*

Consider approving:

- a) preliminary plans
- b) a reversion of project savings \$6,830,000

CONSENT ITEMS

STAFF ANALYSIS ITEM—4

Judicial Council of California
Administrative Office of the Courts
New Santa Clara Family Justice Center
Santa Clara County

Action Requested

If approved, the requested action will approve preliminary plans and revert project savings.

Scope Description

This project is within scope. The project will construct a new 20-courtroom, 233,900 square foot facility in the City of San Jose. The project will consolidate family law functions in a single location to improve operations and service for the residents of Santa Clara County. This project features substantial operational and economic opportunities. The operational opportunities include consolidation of six leased facilities into a single facility.

Funding and Cost Verification

\$241,950,000 total authorized project costs
\$235,120,000 total estimated project costs
\$ 10,486,000 project cost previously allocated: \$3,775,000 Acquisition,
\$6,711,000 preliminary plans
\$224,634,000 project cost to be allocated: \$14,637,000 working drawings,
\$209,997,000 construction (\$184,966,000 contract, \$9,248,000
contingency, A&E cost \$4,375,000, \$11,408,000 other project
costs)
\$ 6,830,000 amount to be reverted: \$2,430,000 acquisition, and \$4,400,000
preliminary plans

CEQA

A Categorical Exemption was filed with the State Clearinghouse on April 12, 2010, and the 30-day statutes of limitation period expired on May 13, 2010, without challenge.

Project Schedule

SPWB Acceptance of Acquisition	November 2010 (VTA - June 1, 2011)
Approve preliminary plans	June 2012
Complete working drawings	TBD
Start of Construction	TBD
Complete construction	TBD

Staff Recommendation: Approve preliminary plans and revert project savings.

CONSENT ITEMS

CONSENT ITEM—5

JUDICIAL COUNCIL OF CALIFORNIA (0250)
ADMINISTRATIVE OFFICE OF THE COURTS
NEW YREKA COURTHOUSE (DOWNTOWN SITE)
SISKIYOU COUNTY
AOC Facility Number 47-H1, DGS Parcel Number 10728

Authority: Sections 70371.5 and 70371.7 of the Government Code

Consider authorizing acquisition

CONSENT ITEMS

STAFF ANALYSIS ITEM—5

Judicial Council of California
Administrative Office of the Courts
New Yreka Courthouse (Downtown Site)
Siskiyou County

Action Requested

If approved, the requested action would authorize acquisition.

Scope Description

This project is within scope. The requested action would authorize acquisition for the construction of a new 6-courtroom, 86,000 square foot facility in Siskiyou County. The new courthouse is for use by the Superior Court of California for judicial, administrative, and related purposes, with secure parking for judicial officers and staff and surface parking for visitors. The proposed site would be acquired from multiple owners and totals approximately 2.4 acres of improved land. The property is located in the city of Yreka across the street from the existing court facilities.

Funding and Cost Verification

This project is within cost. A total of \$2,543,000 has been appropriated for acquisition. This property can be acquired with the funds available and in accordance with legislative intent.

\$95,370,000 total authorized project cost

\$95,370,000 total estimated project cost

\$ 1,807,000 project costs previously allocated: acquisition (soft costs)

\$93,563,000 project costs to be allocated: \$736,000 land acquisition and relocation, \$4,378,000 preliminary plans, \$5,861,000 working drawings, and \$82,588,000 construction (\$73,124,000 contract, \$3,656,000 contingency, \$1,437,000 A&E, and \$4,371,000 other project costs)

CEQA

A Notice of Exemption was filed with the State Clearinghouse on May 18, 2011, and the 35-day statutes of limitation period expired on June 17, 2011, without challenge.

Project Schedule

Close of escrow	June 2012
Approval of preliminary plans	TBD
Complete working drawings	TBD
Start construction	TBD
Complete construction	TBD

Condition of Property

Department of General Services (DGS) conducted a site visit to the proposed New Yreka Courthouse, Downtown site, on April 3, 2012. The site includes asphalt paved parking lots, four residential homes, two professional office buildings, and two government buildings. All structures were occupied at the time of the site visit.

Phase I Environmental Site Assessment (ESA)

In March 2011, a Phase 1 ESA was completed in general conformance with the scope and limitations of the American Society for Testing and Materials Practice. Above ground storage tanks (AST) at two residences were noted. These tanks contain kerosene used for heating the homes. No significant staining or evidence of leaks or spills was noted beneath the AST located at 416 S. Oregon Street. The AST located at 412 S. Oregon Street was located within the backyard of the residence, which did not allow for access. The residence located a 418 S. Oregon Street had previously contained a 160 gallon heat oil AST that was removed in 2004. The tank leaked and the soil sample collected from beneath the AST indicated a low level (a concentration of 12,000 milligrams per kilogram) of total petroleum hydrocarbons as diesel. The local Regional Water Quality Control Board issued a “no further action” required determination because it was considered a “de minimis” condition. De minimis conditions are not considered a threat to human health or the environment.

The Phase I ESA noted that based on the age of the structures, they may contain asbestos containing materials (ACM) and lead based paint (LBP). The Phase 1 ESA recommends a comprehensive survey be conducted for ACM and LBP. Additionally, four of the structures are older than fifty years, a threshold of nomination for listing on the National Register of Historic Places and the California Register of Historical Resources; therefore, an assessment for historical significance should to be conducted. Beyond the survey for ACM and LMP and an assessment for historical significance, no further testing is warranted.

Phase II Environmental Site Assessment

At the request of The Judicial Council of California Administrative Office of the Courts, a preliminary draft Phase II Environmental Site Assessment was submitted on January 25, 2012.

This report indicates that according to a letter from the County of Siskiyou, Public Health and Community Development, dated June 15, 2011, a non-functional underground storage tank (UST) was removed from the 423 4th Street property and no further action was required. The Sheriff's Department, located in the adjacent parcel north of the Site at 305 Butte Street, consists of a single-story building located at the southwest corner of Butte Street and 4th Street. A 250-gallon capacity diesel aboveground storage tank used for emergency generator was noted on the southwest side of the building. This parcel was listed on the Historical UST and leaking UST databases due to the former presence of a 1,000-gallon capacity diesel UST. The fuel tank was abandoned in-place using a sand-slurry mixture in 1993. Results of limited soil sampling beneath the fill port end of the tank indicated a concentration of 21 parts per million of total petroleum hydrocarbons as diesel. Following the in-place abandonment of the UST, the North Coast California Regional Water Quality Control Board issued a "no further investigation required" letter on March 31, 1993.

The objective of the Phase II Investigation was to establish an environmental baseline prior to development of the Site and to evaluate current subsurface soil and groundwater conditions at the Site due to its historical and current use as commercial and residential properties and proximity to and its downgradient orientation from off-Site fuel releases. Nine soil borings were conducted for soil and groundwater sampling and samples were sent to a laboratory in Sacramento. The analytical results of the soil samples did not indicate any evidence of a release from historical onsite sources. All metal concentrations except arsenic were below both the EPA Region 9 and California Human Health Screening Level residential screening levels. Arsenic concentrations were within the EPA-reported California background range. Total Petroleum Hydrocarbons (TPH)-purgeable was not detected in the soil samples and the only VOC detected was below the residential screening level. Chloroform was detected in one of the groundwater samples collected (1.1 u.1 micrograms per liter (ug/L) in GW-03) at a concentration that exceeds its public health goal of 1.0 ug/L. The Phase II Environmental Site assessment recommended that no additional soil or groundwater investigation be conducted within the footprint of the proposed building and parking lot. DGS did not observe any additional environmental concerns.

Other:

- The Board approved site selection for this property at its August 12, 2011 meeting.
- The proposed site will be purchased from two existing property owners. A portion of the proposed site will be purchased from the City of Yreka (the City Property) at fair market value as indicated in a DGS approved appraisal. The remainder of the proposed site will be acquired from Siskiyou County (the County) for the state's equity interest in the existing court facility plus monetary compensation. Included in the County acquisition are five parcels previously acquired by the County from private parties which will be transferred to the state at no cost.
- The purchase price will not exceed the estimated fair market value as indicated in DGS-approved appraisals.
- The proposed site meets the size, location and compatibility requirements of the Judicial Council of California.
- Following the state's acquisition of the County-owned portion of the site (the County Property), the County will lease the County property from the state through December 31, 2013, subject to early termination as provided for in the lease. The County will sublease a portion of the County Property on a month to month basis through November 30, 2013, unless earlier terminated. Pursuant to the terms of the Purchase Acquisition Agreement (PAA), the County will collect rent from the subleases in exchange for their acceptance of responsibility for all costs related to such occupancy of the subleased premises, including but not limited to

maintenance, utilities, repair, risk management, any relocation obligations, insurance and security.

- Following the state's acquisition of the portion of the site owned by the City Property, the state will be assigned an existing lease between the City and the County. The state will terminate the lease, as provided for in the lease agreement, prior to construction on the City Property.
- Relocation assistance will be required for the County tenants currently occupying the County Property. A relocation plan was approved by DGS on April 6, 2012. Relocation costs are estimated to be \$139,400.
- A utility easement for overhead power and telephone lines is located over and across the future courthouse footprint. During the construction phase, the easement and utility lines will be relocated by the utility at state's expense.
- One of the structures is older than fifty years, a threshold of nomination for listing on the National Register of Historic Places and the California Register of Historical Resources. The State Historic Preservation Office determined that the structure was ineligible for preservation.
- The PAA does not include the State's standard indemnification language. However, the Phase I and Phase II ESAs and the DGS-ESS site visit do not indicate any conditions that would likely pose exceptional risk to the State.
- There are no historic issues and no implied dedication associated with this project.

Staff Recommendation: Authorize acquisition.

CONSENT ITEMS

CONSENT ITEM—6

DEPARTMENT OF CORRECTIONS AND REHABILITATION (5225)
CALIFORNIA INSTITUTION FOR WOMEN
45-BED ACUTE/INTERMEDIATE CARE FACILITY
SAN BERNARDINO COUNTY

*Authority: Chapters 47 and 48, Statutes of 2006, Item 5225-301-0001 (15.5)
Sections 15819.40 (c) and (d) and 15819.401 – 15819.404 of the Government Code*

Consider recognizing revised project costs

CONSENT ITEMS

STAFF ANALYSIS ITEM—6

Department of Corrections and Rehabilitation
California Institution for Women
45-Bed Acute/Intermediate Care Facility
San Bernardino County

Action Requested

If approved, the requested action would recognize revised project costs for an increase of \$1,063,000.

Scope Description

This project is within scope. This project will provide a 45-bed licensed inpatient mental health facility consisting of housing, treatment, support and administration services. It is estimated that the facility will consist of approximately 53,500 square feet (sf). The new facility will be a two-story building located within the expanded secure perimeter of the California Institution for Women (CIW). It will be located adjacent to and licensed under the existing CIW Correctional Treatment Center license.

The housing and treatment space will be approximately 43,400 sf and will provide 45 single occupancy cells. The administration space will be located on the second floor and will be approximately 10,100 sf. This new facility will overlap the existing perimeter fence sewer line;

therefore, temporary perimeter fencing and a temporary guard tower will need to be constructed. The project includes two additional permanent guard towers. Improvements to the existing site utilities are required to provide service to the facility. Additionally, the 8-inch high-pressure force sewer main currently located parallel to the exterior perimeter road will be moved outside the perimeter. While this force main is located on CIW property, it is managed by the Inland Empire Utility District. Once relocated, this force main will remain under the management of that utility company. A 180 space parking area will be provided east of the secure perimeter of the prison near the entry, and adjacent to the existing parking.

Funding and Cost Verification

This project is not within cost. The 2006 Budget Act appropriated \$2,172,000 General Fund for the preliminary plans for this project. On June 12, 2009, the Board took an action allocating \$61,577,000 of the \$710,940,000 Public Buildings Construction Fund (lease revenue bond authority) appropriated in section 15819.403(a) of the Government Code for medical, dental and mental health projects to complete working drawings and construction for this project. At that time the recognized total project cost was \$63,749,000. A new project cost estimate completed in association with award of the construction contract identified a \$29,986,000 decrease in project costs. Consequently, on July 12, 2010, the Board took an action recognizing this decrease and a revised total authorized project cost of \$33,763,000. On February 11, 2011 the Board took an action increasing authorized project costs by \$595,000 to \$34,358,000 and on January 19, 2012 the Board increased project costs by \$902,000 to \$35,260,000.

Construction began in May 2010 and was scheduled for completion in December 2011, in accordance with the activation scheduled approved by the *Coleman* Court. As of May 2012, construction is approximately 99 percent complete. The Department of Corrections and Rehabilitation (CDCR) now estimates the project will be completed during June 2012. The current value of the construction contract is \$19,569,000 and the project budget includes a five percent construction contingency totaling \$979,000. Although the project is nearly complete and the scope has not changed, the remaining contingency balance of \$192,000 is not sufficient to resolve pending change orders and a number of unanticipated construction contract disputes between CDCR and the contractor. Therefore, CDCR requests the Board recognize a \$1,063,000 increase in project costs, as further described below.

Approximately \$1,238,000 of additional funding is needed for construction contingency. The Department of Corrections and Rehabilitation anticipates \$539,000 worth of additional construction costs (plus \$27,000 construction contingency) related to compliance with State Fire Marshal code and building code requirements. Additionally, CDCR has identified \$222,000 worth of additional contractor costs (plus \$11,000 construction contingency) due to an extension to the contract duration. (Note: The January 19, 2012 Board action already allocated \$412,000 toward this purpose. However, additional subcontractors costs for electrical, fire alarm, and lighting components have since been identified.) Lastly, CDCR has identified \$795,000 worth of disputed work between itself and the contractor through the course of construction. These disputes will need to be resolved prior to close-out of the construction contract. The current contingency balance is not sufficient to cover the full amount of these disputes should resolution lead to increase construction contract costs. This action would recognize an increase in construction contingency of \$439,000 to ensure that funding is available (if necessary) to allow for payment of these items. Any amount of this funding unneeded for resolution of disputed items will remain unused in the contingency balance.

Additionally, the extended construction duration requires amendments to the architecture and engineering, construction management, and program management contracts to maintain these services through project completion. Additional costs for these categories are approximately \$86,000, \$180,000 and \$90,000, respectively. While the extension of the architecture and

engineering services is minimal to cover the completion of on-site construction activities, the funding necessary for contract construction management and program management services is necessary to resolve pending contract issues with the contractor, which can extend beyond the completion of on-site construction. The total cost increase associated with these contract extensions is \$356,000.

The increased costs identified above are partially offset by a net decrease of \$531,000 in agency retained items. This net decrease reflects decreases in both group II equipment costs (\$400,000) and telecommunicating infrastructure costs (\$150,000) and an increase in guarding costs (\$19,000) through the completion of the project.

\$35,260,000	total authorized project cost
\$36,323,000	total estimated project cost
\$35,260,000	project costs previously allocated: \$2,172,000 preliminary plans, \$4,167,000 working drawings, and \$28,921,000 construction (\$19,569,000 contract, \$979,000 contingency, \$2,325,000 A&E, \$3,218,000 other project costs, \$2,830,000 agency retained items)
\$ 1,063,000	project cost increase: construction (\$1,238,000 contingency, \$86,000 A&E, \$270,000 other project costs, and a decrease of \$531,000 agency retained items)

CEQA

A Notice of Determination was filed with the State Clearinghouse on November 7, 2006, and a second Notice of Determination was filed with the State Clearinghouse on September 27, 2007. The 30-day statutes of limitation for each expired without challenge.

Real Estate Due Diligence

A Summary of Conditions Letter for this project was completed on July 16, 2009, and no issues that would adversely affect the quiet use and enjoyment of the project were identified.

Project Schedule

Approve preliminary plans	June 2009
Complete working drawings	March 2010
Start construction	May 2010
Complete construction	June 2012

Staff Recommendation: Recognize revised project costs.

CONSENT ITEMS

CONSENT ITEM—7

**MILITARY DEPARTMENT (8940)
CONSOLIDATED HEADQUARTERS COMPLEX
SACRAMENTO COUNTY**

Project Number MIL 502A, DGS Property Number 10437

*Authority: Chapters 47 and 48, Statutes of 2006, Item 8940-301-0001 (1)
Chapters 171 and 172, Statutes of 2007, Item 8940-301-0001 (0.5)
Chapter 712, Statutes of 2010, Item 8940-301-0604 (1) and Item 8940-301-0660 (1)*

Consider approving:

- a) an authorization to enter into the Second Amendment to Option, Purchase and Sale Agreement
 - b) an augmentation **\$500,000**
- (1.0 percent total project)
(1.0 percent cumulative)**

CONSENT ITEMS

STAFF ANALYSIS ITEM—7

Military Department
Consolidated Headquarters Complex
Sacramento County

Action Requested

If approved, the requested action will authorize the state to enter the Second Amendment to Option, Purchase and Sale Agreement and approve an augmentation.

Scope Description

This project is within scope. In June, 2008, the state, through the Military Department and Department of General Services (DGS), entered into an Option, Purchase, and Sale Agreement for approximately 30 acres of land located at the southwest corner of Airpark Drive and Bear Hollow Drive in the Mather Field area of Sacramento County. The site is to serve as a fully

functional National Guard headquarters facility with an approximately 125,000 square feet main building and 22,600 square feet supply facility. At a future date the United States Department of Defense will fully fund the expansion of the headquarter facility to 300,000 square feet. Together these buildings will make up the Consolidated Headquarters Complex that will meet the federal security requirements for Department of Defense structures, namely security setbacks.

History of the Purchase Option

The 2006 Budget Act authorized the state to acquire a purchase option to reserve, for no less than two years, the right to purchase the subject property. This option was acquired by the state for four years (years 1-4) on June 25, 2008, and will expire June 26, 2012, unless extended. The terms of the amended and extended purchase option will allow the state to reserve the property for up to four additional years (years 5-8) through June 30, 2016, at reduced pricing reflecting the market downturn during the past 4 years.

If the state elects to terminate the option, the option payment for the time period paid up until that point shall be retained by the property owner and not subject to proration, the state would not be required to make any further annual option payments.

Throughout the extended option period, the property owner would continue to maintain the property. The elements of the original option remain unchanged with the following exceptions:

- The option term is extended a maximum of four annual periods at a total cost not to exceed \$500,000, with the state providing \$125,000 for each year of the extended option.
- One-half the option payments from years 1-4, representing \$275,000 out of \$550,000, shall be available as credit towards the property's purchase price only if the option is exercised prior to June 30, 2014 (the end of option year 6).
- Option payments for years 5 and 6 shall be available as 100 percent credit and years 7 and 8 as a 50 percent credit towards the property's purchase price.
- In compliance with the terms of the original option agreement, the state and the developer worked with the City of Rancho Cordova to remove Zinfandel Development Agreements from the property upon acquisition by the state within the option period. On January 11, 2010, the City of Rancho Cordova adopted an ordinance to that effect, and executed recordable documents to amend the agreements which are in the state's escrow.

Funding and Cost Verification

This project is not within cost. A total of \$50,164,000 has been appropriated for the acquisition, preliminary plans, working drawings, construction and equipment phases of this project. The augmentation is needed to fund the extension of the option to purchase the project site is \$500,000 (1.0 percent total project cost) and the only augmentation request for this project to date. In addition to the appropriated funds, it is anticipated that the Department of Defense will contribute \$47,508,000 towards design and construction plus \$1,800,000 to reimburse the Armory Fund.

\$97,672,000 total authorized project costs

\$98,192,000 total estimated project costs

\$ 1,100,000 project costs previously allocated: acquisition

\$96,572,000 to be allocated: \$10,205,000 acquisition, \$5,847,000 preliminary plans, \$7,134,000 working drawings, \$71,142,000 construction (\$62,626,000 contract, \$3,296,000 contingency, \$5,220,000 A&E) and \$2,254,000 equipment

\$ 500,000 requested augmentation: acquisition

CEQA

A Notice of Exemption was filed with the State Clearinghouse on December 3, 2007, and the 35-day statutes of limitation expired on January 6, 2008, without challenge.

Project Schedule:

Acquire purchase option extension	June 2012
Close of escrow	June 2014
Approve preliminary plans	February 2014
Complete working drawings	December 2014
Start construction	May 2015
Complete construction	February 2017

Staff Recommendation: **Approve authorizing the state to enter the Second Amendment to Option, Purchase and Sale Agreement and an augmentation.**

OTHER BUSINESS

There are no Other Business items.

REPORTABLES

To be presented at the Board meeting.