



**CALIFORNIA STATE
PUBLIC WORKS BOARD**

ARNOLD SCHWARZENEGGER, GOVERNOR

915 L STREET ■ NINTH FLOOR ■ SACRAMENTO CA ■ 95814-3706 ■ (916) 445-9694

AGENDA WITH ANALYSIS

**NOTICE OF MEETING
STATE PUBLIC WORKS BOARD
Friday, December 12, 2008**

The **STATE PUBLIC WORKS BOARD** will meet on
**Friday, December 12, 2008, 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, December 12, 2008

10:00 a.m.

Room 113, State Capitol

Sacramento, California

I. Roll Call

Michael C. Genest, Director, Department of Finance
Will Bush, Director, Department of General Services
Will Kempton, Director, Department of Transportation
John Chiang, State Controller
Bill Lockyer, State Treasurer

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Patrick W. Henning, Director, Employment Development Department
(Advisory Member)

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Assembly Member, Legislative Advisor
Assembly Member, Legislative Advisor
Assembly Member, Legislative Advisor
Senator, Darrell Steinberg, Legislative Advisor
Senator, Denise Ducheny, Legislative Advisor
Senator, Legislative Advisor

II. Approval of minutes from the November 14, 2008 meeting

III. Bond Items	Page 3
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VI. Other Business	Page 50
VII. Reportables	Page 50

BOND ITEM

BOND ITEM—1

**DEPARTMENT OF FORESTRY AND FIRE PROTECTION (3540)
CUYAMACA FOREST FIRE STATION—RELOCATE FACILITY
SAN DIEGO COUNTY**

*Authority: Chapter 106, Statutes of 2001, Item 3540-301-0001 (24)
Chapter 208, Statutes of 2004, Item 3540-301-0660 (4)
Chapters 47 and 48, Statutes of 2006, Item 3540-301-0660 (3.5)*

Consider adoption of a supplemental resolution to:

1. Authorize the use of interim financing to be repaid from the Public Buildings Construction Fund from the proceeds from the sale of the bond consistent with increased project authority of \$937,000.
2. Authorize the sale of the State Public Works Board Lease Revenue Bonds consistent with increased project authority.

Cumulative Bond Appropriations

\$4,276,000

BOND ITEM

STAFF ANALYSIS ITEM—1

Department of Forestry and Fire Protection
Cuyamaca Forest Fire Station—Relocate Facility
San Diego County

Action requested

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

Scope Description

This project is within scope. This provides a one-engine Forest Fire Station. This project constructs a 3,134 square feet (sf) living quarters building (8 beds), a 1,700 sf apparatus building (1 office, 2 bays), a 128 sf flammable storage building, a 299 sf generator building with 60 kW generator, and a 1,000 gallon fuel tank. Site work includes utilities, paving, and all associated appurtenances.

Funding and Project Cost Verification

This project is within cost. Total authority provided for this project through the initial and supplemental resolution is \$4,276,000 in lease revenue bonds and \$535,000 General Fund.

A prior resolution in 2005 gave authority for \$3,339,000 in lease revenue financing to fund preliminary plans, working drawings and construction. This supplemental resolution will provide an additional \$937,000 in lease revenue to fund increased project costs.

\$4,811,000	total authorized project costs
\$4,811,000	total estimated project costs
\$1,083,000	project costs previously allocated: \$535,000 acquisition, \$251,000 preliminary plans, and \$297,000 working drawings
\$3,728,000	project costs to be allocated: construction (\$3,029,000 contract, \$154,000 contingency, \$545,000 project administration and agency retained items)

CEQA

A Notice of Exemption was filed with the State Clearinghouse on September 2, 2004, and the waiting period expired on October 1, 2004, with no adverse comments.

Real Estate Due Diligence

A Summary of Conditions Memo was prepared November 6, 2006, with no adverse findings.

Project Schedule:

Approve preliminary plans	February 2006
Complete working drawings	June 2006
Complete construction	June 2010

Staff Recommendation: Adopt supplemental resolution.

BOND ITEM

BOND ITEM—2

**DEPARTMENT OF FORESTRY AND FIRE PROTECTION (3540)
NORTH REGION FOREST FIRE STATION FACILITIES—REPLACE VARIOUS BUILDINGS
VARIOUS COUNTIES**

*Authority: Chapters 47 and 48, Statutes of 2006, Item 3540-301-0660 (1)
Chapters 268 and 269, Statutes of 2008, Item 3540-301-0660 (2.5)*

Consider adoption of a supplemental resolution to:

1. Authorize the use of interim financing to be repaid from the Public Buildings Construction Fund from the proceeds from the sale of the bond consistent with increased project authority of \$2,406,000.
2. Authorize the sale of the State Public Works Board Lease Revenue Bonds consistent with increased project authority.

Cumulative Bond Appropriations **\$25,045,000**

BOND ITEM

STAFF ANALYSIS ITEM—2

Department of Forestry and Fire Protection
North Region Forest Fire Station Facilities—Replace Various Buildings
Various Counties

Action requested

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

Scope Description

This project is within scope. The scope for the facilities included in this project, are outlined in Appendix A.

Funding and Project Cost Verification

This project is within cost. Total authority provided for lease revenue financing through the initial and supplemental resolution is \$25,045,000.

A prior resolution in 2007 gave authority for \$22,639,000 in lease revenue financing to fund preliminary plans, working drawings, and construction. This supplemental resolution will provide an additional \$2,406,000 in lease revenue to fund increased project costs.

\$25,045,000	total authorized project costs
\$25,045,000	total estimated project costs
\$ 1,592,000	project costs previously allocated: preliminary plans
\$23,453,000	project costs to be allocated: \$767,000 working drawings and \$22,686,000 construction (\$19,464,000 contracts, \$2,248,000 project administration, and \$974,000 contingencies)

CEQA

Notices of Determinations have been filed with the State Clearinghouse for each site and the 30-day Public Comment periods have expired with no adverse comments.

Real Estate Due Diligence

The Department of General Services will prepare a Summary of Conditions memo for the various projects during the preliminary plans phase and each memo will be analyzed as the projects come forward for preliminary plan approval.

Project Schedule:

Approve preliminary plans	December 2008
Complete working drawings	October 2009
Complete construction	May 2011

Staff Recommendation: Adopt supplemental resolution.

BOND ITEM

APPENDIX A

DEPARTMENT OF FORESTRY AND FIRE PROTECTION (3540) NORTH REGION FOREST FIRE STATION FACILITIES—SCOPE DETAIL

SCOPE DESCRIPTIONS

Buckhorn Fire Station - This project constructs a 3,134 square feet (sf) 8-bed barracks/mess hall building, a 348 sf generator/pump/storage building, and retrofits the existing apparatus building with fire sprinklers at Cal Fire's (CDF) Buckhorn Fire Station in Whitmore, California. The project also includes a hose wash rack, security fencing, a 5,000 gallon water tank, site work, utilities, paving, curbs, walkways and all associated appurtenances.

Burrell Fire Station - This project constructs a 3,134 sf 8-bed barracks/mess hall building, a 348 sf generator/pump/storage building, an 800 sf Self-Contained Breathing Apparatus (SCBA) building, and retrofits a 2-bay apparatus building with fire sprinklers at CDF's existing Burrell Fire Station located in Los Gatos, California. The project also includes a 20,000 gallon water tank, site work, utilities, paving, curbs, walkways, fuel vault, landscaping, and all associated appurtenances.

Point Arena Fire Station - This project constructs a 1,664 sf 2-bay apparatus building, a 648 sf generator/pump/storage building, retrofits the existing barracks/mess hall building with fire sprinklers, and remodels the residence at CDF's Point Arena Fire Station in Point Arena, California. The project also includes a hose wash rack, security fencing, site work, utilities, paving, curbs, walkways and all associated appurtenances.

Whitmore Fire Station - This project constructs a 3,753 sf 12-bed barracks/mess hall building, a 648 sf generator/pump/storage building with emergency generator, and retrofits the existing 3-bay apparatus with fire sprinklers at CDF's existing Whitmore Fire Station in Whitmore, California. The project also includes a 20,000 gallon water tank, hose wash rack, security fencing, site work, utilities, paving, curbs, walkways, landscaping and all associated appurtenances.

Del Puerto Fire Station - This project constructs a 3,620 sf 10-bed barracks/mess hall building, a 1,982 sf 2-bay dozer shed, a 648 sf generator/pump/storage building, a 512 sf administrative office building, a 1,540 sf covered vehicle wash rack building, and retrofits the existing 2-bay apparatus building and vehicle maintenance shop with fire sprinklers at CDF's existing Del Puerto Fire Station in Patterson, California. The project also includes security fencing, site work, utilities, paving, curbs, a fuel vault, walkways and all associated appurtenances.

Elk Creek Fire Station - This project constructs a 3,753 sf 12-bed barracks and mess hall, retrofits an existing apparatus building with an automatic fire sprinkler system, constructs a 648 sf generator/pump/storage building, installs a new septic system and leach field, and installs a retaining wall with security fencing at CDF's Elk Creek Fire Station in Elk Creek, California. The project also includes a 20,000 gallon water tank, a hose wash rack, site work, upgrade and replacement of utilities, paving, landscaping and all associated appurtenances.

Smartville Fire Station - This project constructs a 1,999 sf 3-bay apparatus building, a 648 sf generator/pump/storage building, a 152 sf administrative office building and retrofits the existing 12-bed barracks with fire sprinklers and alarm systems at CDF's existing Smartville Fire Station in Smartville, California. The project also includes a 20,000 gallon water tank, a hose wash rack, security fencing, site work, utilities, paving, curbs, walkways, landscaping and all associated appurtenances.

Thorn Forest Fire Station - This project constructs a 3,135 sf 8-bed barracks/mess hall, a 395 sf generator/pump house building, and retrofits the existing 2-bay apparatus building with fire sprinklers at CDF's existing Thorn Forest Fire Station in Whitethorn, California. The project also includes security fencing, site work, utilities, paving, curbs, walkways, landscaping and all associated appurtenances.

Forest Ranch Fire Station - This project constructs a 3,753 sf 12-bed barracks/mess hall building, a 156 sf Battalion Chief's office, a 335 sf bay attached at the existing apparatus building, a 648 sf generator/pump/storage building, and retrofits an existing apparatus building with a fire sprinkler system at CDF's Forest Ranch Fire Station located in Forest Ranch, California. The project also includes a 20,000 gallon water tank, a hose wash rack, security fencing, site work, a new water system, utilities, paving, curbs, walkways, landscaping, drainage and other appurtenances as it relates to the new structures.

Saratoga Summit Fire Station - This project constructs a 3,753 sf 12-bed barracks/mess hall building, a 648 generator/pump/storage building, a 156 sf administrative office building, and retrofits the existing apparatus building with a fire sprinkler system at CAL FIRE's existing Saratoga Summit Fire Station in Los Gatos, California. The project also includes a hose wash rack, security fencing, site work, landscaping, utilities, paving, curbs, walkways and all associated appurtenances.

Susanville Fire Station - This project constructs a 3,953 sf 14-bed barracks/mess hall building, a 648 generator/pump/storage building, and a 156 Battalion Chief's (BC) office building at CAL FIRE's Susanville Fire Station in Susanville, California. The project also includes security fencing, site work, utilities, paving, curbs, walkways and all associated appurtenances.

BOND ITEM

BOND ITEM—3

**DEPARTMENT OF FORESTRY AND FIRE PROTECTION (3540)
SOUTH OPERATIONS AREA HEADQUARTERS—RELOCATE FACILITY
RIVERSIDE COUNTY (March Air Force Base)**

*Authority: Chapter 106, Statutes of 2001, Item 3540-301-0001 (23)
Chapter 379, Statutes of 2002, Item 3540-301-0660 (13)
Chapter 208, Statutes of 2004, Item 3540-301-0660 (3.8)
Chapters 47 and 48, Statutes of 2006, Item 3540-301-0660 (3)
Chapters 171 and 172, Statutes of 2007, Item 3540-301-0660 (7.7)
Chapters 171 and 172, Statutes of 2007, Item 3540-301-0890 (1)
Chapters 268 and 269, Statutes of 2008, Item 3540-301-0660 (8)*

Consider adoption of a supplemental resolution to:

1. Authorize the use of interim financing to be repaid from the Public Buildings Construction Fund from the proceeds from the sale of the bond consistent with increased project authority of \$7,691,000.
2. Authorize the sale of the State Public Works Board Lease Revenue Bonds consistent with increased project authority.

Cumulative Bond Appropriations

\$44,217,000

BOND ITEM

STAFF ANALYSIS ITEM—3

Department of Forestry and Fire Protection
South Operations Area Headquarters—Relocate Facility
Riverside County at March ARB

Action requested

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

Scope Description

This project is within scope. This project is for the relocation and construction of a new Essential Services Headquarters Facility at March ARB. The project constructs a 12,323 square feet (sf) office/command center, a 33,996 sf administration building, a 3,504 sf construction/eng. office building, a 1,581 sf electrical shop, a 2,602 sf mechanical shop, a 2,839 sf auto shop, a 3,240 sf warehouse, a 6,950 sf training Center, a 607 sf groundskeeper facility, a 638 sf generator/Haz, building, an emergency generator, and a communications tower. Site work includes utilities, paving, curbs and gutters, landscaping, fencing and a fueling facility.

Funding and Project Cost Verification

This project is within cost. Total authority provided for lease revenue financing through the initial and supplemental resolution is \$44,217,000. Prior appropriations have provided \$4,085,400 in additional authority (\$1,303,000 General Fund, \$1,913,000 Federal, and \$869,400 Transportation Mitigation Funds) for this project.

Prior resolutions in 2006 and 2007 gave authority for \$36,526,000 in lease revenue financing to fund acquisition, working drawings and construction. This supplemental resolution will provide an additional \$7,691,000 in lease revenue to fund increased project costs.

\$48,302,000	total authorized project costs
\$48,302,000	total estimated project costs
\$ 3,792,000	project costs previously allocated: \$65,000 acquisition, \$803,000 preliminary plans, \$2,924,000 working drawings
\$44,510,000	project costs to be allocated: \$2,745,000 acquisition, \$71,000 working drawings and \$41,694,000 construction (\$32,782,000 contract, \$1,639,000 contingency, \$2,404,000 A&E Costs, \$1,779,000 project administration and \$3,090,000 agency retained items)

CEQA

A Notice of Determination was filed with the State Clearinghouse on November 30, 2002, and the waiting period expired on December 30, 2002, with no adverse comments.

Real Estate Due Diligence

The Department of General Services is currently in the process of acquiring the property necessary for this project and the related due diligence issues will be resolved prior to construction.

Project Schedule:

Approve preliminary plans	February 2003
Complete working drawings	August 2008
Complete construction	May 2011

Staff Recommendation: Adopt supplemental resolution

BOND ITEM

BOND ITEM—4

**DEPARTMENT OF MENTAL HEALTH (4440)
METROPOLITAN STATE HOSPITAL, NORWALK
CONSTRUCT NEW KITCHEN AND REMODEL SATELLITE SERVING KITCHENS
LOS ANGELES COUNTY**

*Authority: Chapter 157, Statutes of 2003, Item 4440-301-0660 (2)
Chapter 208, Statutes of 2004, Item 4440-496 (1)
Chapter 208, Statutes of 2004, Item 4440-301-0001 (1)
Chapter 38, Statutes of 2005, Item 4440-301-0001 (1)
Chapter 38, Statutes of 2005, Item 4440-301-0660 (1)
Chapter 171, Statutes of 2007, Item 4440-301-0001 (2)
Chapter 171, Statutes of 2007, Item 4440-301-0660 (1)*

Consider adoption of a supplemental resolution to:

1. Authorize the use of interim financing to be repaid from the Public Buildings Construction Fund from the proceeds from the sale of the bond consistent with increased project authority of \$7,498,000 from Chapter 171, Statutes 2007, Item 4440-301-0660 (1).
2. Authorize the sale of the State Public Works Board Lease Revenue Bonds consistent with increased project authority.

Cumulative Bond Appropriations

\$26,360,000

BOND ITEM

STAFF ANALYSIS ITEM—4

Department of Mental Health
Metropolitan State Hospital, Norwalk
Construct New Kitchen and Remodel Satellite Serving Kitchens
Los Angeles County

Action requested

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

Scope Description

This project is within scope. This project will construct a new single story Central Kitchen Facility and will renovate six existing Satellite Kitchens and Dining Facilities. The New Kitchen includes overhead fire sprinkler system, exterior plaster walls, standing seam metal roofing, new kitchen equipment, cook/chill system, high capacity food storage racks, large freezers, 48" high receiving dock with four overhead coiling doors, and a new 300 kilo volt-amp emergency generator. Satellite Kitchen improvements includes new kitchen equipment, seamless epoxy floors, ceramic tile walls, and finishes, and equipment.

Funding and Project Cost Verification

This project is within cost. In August 2006, the department received bids on this project that exceeded the amount of funds authorized by more than 20 percent. The department then sought a supplemental appropriation of \$7,498,000 based on the low bid as escalated for time. The cumulative effect of the various appropriations, augmentations, and reversions for this project results in a total cost of \$30,397,000, which is broken out into \$23,893,000 Lease Revenue Bond for the Main Kitchen component and \$6,504,000 General Fund for the Satellite Kitchens component. The Lease Revenue amount reflects total Budget Act appropriations of \$26,360,000 plus augmentations of \$190,000 less the reversion of \$2,657,000 in bid savings.

The current resolution provides \$18,862,000 in lease revenue financing. The supplemental resolution will provide \$7,498,000 to match the Budget Act authority for the New Main Kitchen and to provide for the additional interim financing necessary to complete the lease revenue component of this project.

\$30,397,000	total authorized project costs
\$30,397,000	total estimated project costs
\$30,397,000	project costs previously allocated: preliminary plans \$912,000, working drawings \$1,312,000 (\$316,000 satellite kitchens, and \$996,000 main kitchen), and construction \$28,173,000 (\$6,188,000 satellite kitchens and \$21,985,000 main kitchen)

CEQA

A Notice of Exemption was filed with the State Clearinghouse on November 24, 2004. The waiting period expired on January 2, 2005, with no adverse comments.

Real Estate Due Diligence

Due Diligence was completed on October 18, 2004, with no unresolved issues affecting the project.

Project Schedule:

Approve preliminary plans	July 2005
Complete working drawings	August 2007
Complete construction	June 2009

Staff Recommendation: Adopt supplemental resolution.

BOND ITEM

BOND ITEM—5

**CALIFORNIA STATE UNIVERSITY (6610)
BAKERSFIELD CAMPUS
ART CENTER AND SATELLITE PLANT
KERN COUNTY**

Authority: Chapters 268 and 269, Statutes of 2008, Item 6610-301-0660 (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 Public Works Board (PWB) 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 of a Project Delivery Agreement between the Department of General Services and the PWB with the consent of the California State University.
4. Approve other related actions in connection with the authorization, issuance, sale and delivery of said revenue bonds.

Total Bond Appropriation

\$17,681,000

BOND ITEM

STAFF ANALYSIS ITEM—5

California State University (6610)
Bakersfield Campus
Art Center and Satellite Plant
Kern 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.

Scope Description

The project is within scope. The approved project will build an Art Center (16,200 gross square feet [gsf]) and Satellite Plant (2,600 gsf). The Art Center will provide 224 full time equivalents (fte) in lecture space, 33 fte in laboratories, and 11 faculty offices. A new 2,600 gsf satellite mechanical plant (#56) will provide necessary cooling capacity for campus development.

Funding and Project Cost Verification

The project is within cost. The 2008 Budget Act appropriated \$17,681,000 from the Public Buildings Construction Fund for the working drawings and construction phase of the Art Center and Satellite Plant project on the Bakersfield campus. The preliminary plans phase was previously funded with General Obligation Bonds.

\$18,558,000	total authorized project costs
\$18,558,000	total estimated project costs
\$ 890,000	project costs allocated: preliminary plans \$387,000, working drawings \$503,000
\$17,668,000	future project costs to be allocated: construction \$17,18,000 and equipment \$490,000

CEQA

The University certifies that the program is in compliance with the requirements of CEQA. The project is consistent with the project description as analyzed in the environmental impact report certified by the CSU Trustees at the September 2007 board meeting.

Real Estate Due Diligence

The Department of General Services is currently performing a real estate due diligence review of the project. Finance will consider signing the Pooled Money Investment Board loan after this review is completed and all title issues cleared.

Project Schedule:

Approve preliminary plans	June 2008
Complete working drawings	September 2009
Complete construction	August 2011

Staff Recommendation: Adopt resolution.

BOND ITEM

BOND ITEM—6

CALIFORNIA STATE UNIVERSITY (6610)
CHANNEL ISLANDS CAMPUS
CLASSROOM AND FACULTY OFFICE RENOVATION/ADDITION
VENTURA COUNTY

Authority: Chapters 268 and 269, Statutes of 2008, Item 6610-301-0660 (4)

Consider adoption of a resolution to:

1. Authorize actions to be taken to provide for interim financing and declare the official intent of the Public Works Board (PWB) 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 of a Project Delivery Agreement between the Department of General Services and the PWB with the consent of the California State University.
4. Approve other related actions in connection with the authorization, issuance, sale and delivery of said revenue bonds.

Total Bond Appropriation

\$29,686,000

BOND ITEM

STAFF ANALYSIS ITEM—6

California State University (6610)
Channel Islands
Classroom and Faculty Office Renovation/Addition
Ventura 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.

Scope Description

The project is within scope. The approved project will renovate 19,400 assignable square feet (asf)/44,000 gross square feet (gsf) in the North Hall (#18) and add 17,700 asf/28,200 gsf of new construction. The project will provide classrooms, faculty offices, and support space, with a net gain in capacity of 1,050 full time equivalent students (fte) (1,013 fte in lecture space, 37 fte in upper division laboratory space) and 115 faculty offices. The completed project will contain approximately 39,000 gsf on two levels.

Funding and Project Cost Verification

The project is within cost. The 2008 Budget Act appropriated \$29,686,000 from the Public Buildings Construction Fund for the construction phase of the Classroom and Faculty Office Renovation/Addition project on the Channel Islands campus. The design phases were previously funded with General Obligation Bonds.

\$32,762,000 total authorized project costs

\$32,762,000 total estimated project costs

\$31,675,000 project costs allocated: preliminary plans \$939,000,
working drawings \$1,050,000, and construction \$29,686,000.

\$ 1,087,000 future project costs to be allocated: equipment

CEQA

The University certifies that the program is in compliance with the requirements of CEQA. The project is consistent with the project description as analyzed in the environmental impact report certified by the CSU Trustees at the March 2004 board meeting.

Real Estate Due Diligence

The Department of General Services is currently performing a real estate due diligence review of the project. Finance will consider signing the Pooled Money Investment Board loan after this review is completed and all title issues cleared.

Project Schedule:

Approve preliminary plans	April 2008
Complete working drawings	January 2009
Complete construction	June 2011

Staff Recommendation: Adopt resolution.

BOND ITEM

BOND ITEM—7

CALIFORNIA STATE UNIVERSITY (6610)
MARITIME ACADEMY CAMPUS
PHYSICAL EDUCATION REPLACEMENT BUILDING
SOLANO COUNTY

Authority: Chapters 268 and 269, Statutes of 2008, Item 6610-301-0660 (2)

Consider adoption of a resolution to:

1. Authorize actions to be taken to provide for interim financing and declare the official intent of the Public Works Board (PWB) 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 of a Project Delivery Agreement between the Department of General Services and the PWB with the consent of the California State University.
4. Approve other related actions in connection with the authorization, issuance, sale and delivery of said revenue bonds.

Total Bond Appropriation

\$34,751,000

BOND ITEM

STAFF ANALYSIS ITEM—7

California State University (6610)
Maritime Academy
Physical Education Replacement Building
Solano 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.

Scope Description

The project is within scope. The approved project will replace the existing Physical Education Building and Natatorium (#14) that were constructed in 1944 and 1947. It will provide a 26,400 assignable square feet (asf)/ 37,200 gross square feet (gsf) Physical Education Replacement facility and an outdoor pool (#39) to accommodate the academic program and the water activities required for licensure by the U.S. coast Guard. Public safety will also be housed in this facility placed at the entrance to the campus.

Funding and Project Cost Verification

The project is within cost. The 2008 Budget Act appropriated \$34,751,000 from the Public Buildings Construction Fund for preliminary plans (\$1,053,000), working drawings (\$1,013,000) and the construction phase (\$32,685,000) of the Physical Education Replacement Building project on the Maritime Academy campus.

\$35,956,000 total authorized project costs

\$35,956,000 total estimated project costs

\$34,751,000 project costs allocated: preliminary plans \$1,053,000,
working drawings \$1,013,000, and construction \$32,685,000.

\$ 1,205,000 future project costs to be allocated: equipment

CEQA

The University certifies that the program is in compliance with the requirements of CEQA. The project is consistent with the project description as analyzed in the environmental impact report certified by the CSU Trustees at the May 2002 board meeting.

Real Estate Due Diligence

The Department of General Services is currently performing a real estate due diligence review of the project. Finance will consider signing the Pooled Money Investment Board loan after this review is completed and all title issues cleared.

Project Schedule:

Approve preliminary plans	February 2010
Complete working drawings	August 2010
Complete construction	June 2012

Staff Recommendation: Adopt resolution.

BOND ITEM

BOND ITEM—8

CALIFORNIA STATE UNIVERSITY (6610)
MONTEREY BAY CAMPUS
ACADEMIC BUILDING II
MONTEREY COUNTY

Authority: Chapters 268 and 269, Statutes of 2008, Item 6610-301-0660 (3)

Consider adoption of a resolution to:

1. Authorize actions to be taken to provide for interim financing and declare the official intent of the Public Works Board (PWB) 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 of a Project Delivery Agreement between the Department of General Services and the PWB with the consent of the California State University.
4. Approve other related actions in connection with the authorization, issuance, sale and delivery of said revenue bonds.

Total Bond Appropriation

\$40,599,000

BOND ITEM

STAFF ANALYSIS ITEM—8

California State University (6610)
Monterey Bay
Academic Building II
Monterey 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.

Scope Description

The project is within scope. The approved project will build a new Academic Building (#505) providing a 34,500 assignable square feet (asf)/57,900 gross square feet (gsf) facility to accommodate 522 full time equivalent (fte) in lecture space, 85 fte in lower division laboratories, 46 fte in upper division laboratories and 61 faculty offices.

Funding and Project Cost Verification

The project is within cost. The 2008 Budget Act appropriated \$40,599,000 from the Public Buildings Construction Fund for preliminary plans (\$1,139,000), working drawings (\$1,120,000) and the construction phase (\$38,340,000) for the Academic Building II project on the Monterey Bay campus.

\$42,313,000 total authorized project costs

\$42,313,000 total estimated project costs

\$ 1,139,000 project costs allocated: preliminary plans \$1,139,000,

\$41,714,000 future project costs to be allocated: working drawings \$1,120,000, construction \$38,340,000, and equipment \$1,714,000

CEQA

The University certifies that the project is in compliance with the requirements of CEQA.

Real Estate Due Diligence

The Department of General Services is currently performing a real estate due diligence review of the project. Finance will consider signing the Pooled Money Investment Board loan after this review is completed and all title issues cleared.

Project Schedule:

Approve preliminary plans	May 2010
Complete working drawings	January 2011
Complete construction	April 2013

Staff Recommendation: Adopt resolution.

BOND ITEM

BOND ITEM—9

CALIFORNIA POLYTECHNIC STATE UNIVERSITY (6610)
SAN LUIS OBISPO CAMPUS
CENTER FOR SCIENCE BUILDING
SAN LUIS OBISPO COUNTY

Authority: Chapters 268 and 269, Statutes of 2008, Item 6610-301-0660 (5)

Consider adoption of a resolution to:

1. Authorize actions to be taken to provide for interim financing and declare the official intent of the Public Works Board (PWB) 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 of a Project Delivery Agreement between the Department of General Services and the PWB with the consent of the California State University.
4. Approve other related actions in connection with the authorization, issuance, sale and delivery of said revenue bonds.

Total Bond Appropriation

\$101,071,000

BOND ITEM

STAFF ANALYSIS ITEM—9

California Polytechnic State University (6610)
San Luis Obispo
Center for Science Building
San Luis Obispo 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.

Scope Description

The project is within scope. The approved project will replace the existing Science building (#52) providing an 86,300 assignable square feet (asf)/146,400 gross square feet (gsf) facility to accommodate 1,463 full time equivalent (fte) in lecture space, 270 fte in lower division laboratories, 84 fte in upper division laboratories and 41 faculty offices.

Funding and Project Cost Verification

The project is within cost. The 2008 Budget Act appropriated \$101,071,000 from the Public Buildings Construction Fund for the construction phase of the Center for Science Building project on the San Luis Obispo campus. The design phases were previously funded with General Obligation Bonds.

\$112,451,000	total authorized project costs
\$112,451,000	total estimated project costs
\$105,644,000	project costs allocated: preliminary plans \$1,866,000, working drawings \$2,707,000, and construction \$101,071,000
\$ 6,807,000	future project costs to be allocated: equipment

CEQA

The University certifies that the project is in compliance with the requirements of CEQA. The project is consistent with the project description as analyzed in the environmental impact report certified by the CSU Trustees at the September 2007 board meeting.

Real Estate Due Diligence

The Department of General Services is currently performing a real estate due diligence review of this project. Finance will consider signing the Pooled Money Investment Board loan after this review is completed and all title issues cleared.

Project Schedule:

Complete working drawings	November 2008
Start construction	March 2009
Complete construction	January 2012

Staff Recommendation: Adopt resolution.

CONSENT ITEM

CONSENT ITEM—1

JUDICIAL COUNCIL OF CALIFORNIA (0250)
ADMINISTRATIVE OFFICE OF THE COURTS (AOC)
B.F. SISK FEDERAL COURTHOUSE RENOVATION, FRESNO COUNTY
AOC Facility Number 10-O1

*Authority: Chapters 47 and 48, Statutes of 2006, Item 0250-301-3037(1.2) as
reappropriated by Item 0250-490, Budget Act of 2007*

Consider approval of a scope change

CONSENT ITEM

STAFF ANALYSIS ITEM—1

Administrative Office of the Courts
Judicial Council of California
B.F. Sisk Federal Courthouse Renovation

Action Requested

If approved, the requested action would approve a scope change.

Scope Description

The project is not within scope. The authorized scope of this project will renovate the B.F. Sisk Federal Courthouse into sixteen (16) courtrooms primarily used for family and civil law cases by the Superior Court of California, County of Fresno. On September 12, 2007, the AOC acquired 3.2 acres of land and the existing B.F. Sisk Federal Courthouse consisting of 191,886 square feet located in the City of Fresno. The current authorized scope for this project does not include the reconfiguration the 5th floor. The Administrative Office of the Courts (AOC) requests a scope change to renovate and reconfigure the 5th floor. This would allow for a secure pathway for judicial officers and staff, eliminating existing pathways through private offices, add an additional jury deliberation room, and convert existing federal attorney offices to 18 research attorney offices. In addition, the request will increase capacity to six publicly accessible Alternate Dispute Resolution mediation rooms with two additional offices for staff and legal interns, and provide for the addition of a law library for the judges and research attorneys. Finally, this request will replace the aging mechanical Heating, Ventilation, Air Conditioning System to support the increased floor occupancy and provide improved energy cost effectiveness and life-cycle returns.

This scope change can be incorporated into the project at no additional cost by redirecting \$4,038,000 from the construction budget that is assigned for furniture, fixtures, and equipment. The Superior Court will provide the required furniture, fixtures, and equipment using existing funds that would come from the Fresno Superior Court reserve account. The Fresno Superior Court has approved the redirection of the identified reserve account funds to purchase and install these items.

On November 21, 2008, the Department of Finance notified the chairs of the Joint Legislative Budget, the Senate Appropriations, and the Assembly Appropriations Committees of its recommendation that the State Public Works Board approve this scope change and the notice period has expired without comment.

Funding and Cost Verification

This project is within cost. The Judicial Council is requesting a scope change that will redirect existing resources of \$4,038,600 designated for furniture, fixtures and equipment to reconfigure and renovate the 5th floor. Preliminary plans, working drawings, and construction were authorized as part of the 2006 Budget Act. On April 11, 2008, the State Public Works Board approved an augmentation of \$9,571,000 to the construction phase of this project.

\$70,898,000 total authorized project costs

\$70,898,000 total estimated project costs

\$70,898,000 project costs previously allocated: preliminary plans \$3,470,000, working drawings \$4,468,000, and construction \$62,960,000 (\$56,570,000 contract, \$3,290,000 contingency, \$935,000 A&E, \$2,165,000 other)

CEQA

A Notice of Exemption was filed with the State Clearinghouse on January 19, 2007, and the waiting period expired on February 22, 2007, without comment.

Project Schedule:

Approve preliminary plans	October 2007
Complete working drawings	March 2008
Complete construction	March 2010

Staff Recommendation: Approve a scope change.

CONSENT ITEM

CONSENT ITEM—2

DEPARTMENT OF GENERAL SERVICES (1760)
DEPARTMENT OF PARKS AND RECREATION (3790)
CASTAGNOLA PARKING LOT
EL PRESIDIO DE SANTA BARBARA STATE HISTORIC PARK,
SANTA BARBARA COUNTY
DPR Parcel Number 14781, DGS Parcel Number 10536

Authority: Chapter 171, Statutes of 2007, Item 3790-301-6051(3.7)

Consider authorizing acquisition

CONSENT ITEM

STAFF ANALYSIS ITEM—2

Department of General Services
Department of Parks and Recreation
Castagnola Parking Lot
El Presidio de Santa Barbara State Historic Park

Action requested

If approved, the requested action would authorize acquisition.

Scope Description

This project is within scope. The Legislature has approved funding for the purchase of interests in lands that meet criteria established for the Proposition 84 Bond – Safe Drinking, Water Quality and Supply, Flood Control, River and Coastal Protection, without specifying particular parcels. This request will authorize site selection of fee simple interest of two parcels totaling 0.27 acres as an addition to El Presidio de Santa Barbara State Historic Park.

This property is currently used as a parking lot, which is an inholding to El Presidio de Santa Barbara State Historic Park. The property contains significant archeological features which will assist the state with its mandate to interpret, protect and restore the El Presidio de Santa Barbara. Additionally, the properties will provide much needed parking for park visitors.

Funding and Cost Verification

This project is within cost. Chapter 171, Statutes of 2007, Item 3790-301-6051(3.7) provides for acquisitions and inholdings identified for historical restoration and interpretation. The balance of this appropriation is sufficient to acquire this property in accordance with legislative intent.

\$1,500,000	total acquisition costs
\$ 7,000	project costs previously allocated
\$1,507,000	project costs to be allocated

CEQA

A Notice of Exemption was filed with the State Clearinghouse on August 20, 2008, and the waiting period expired on September 23, 2008.

Project Schedule

The anticipated close of escrow is January 2009.

Condition of Property

The Department of General Services, Environmental Services Section (DGS/ESS) recommends no additional environmental investigation of the proposed acquisition of the El Presidio de Santa Barbara State Historic Park - Castagnola Parking Lot (Castagnola Parking Lot). This is based on information from the DGS/ESS Condition of Property that included a site survey conducted in April 2006, for the adjacent property located at 828 Santa Barbara Street; the July 2008, Phase I Environmental Site Investigation (2008 Phase I) for the 830 Santa Barbara Street/214 East Canon Perdido Street; and the DGS/ESS staff August 2008, review of its El Presidio de Santa Barbara properties restoration file.

The Castagnola Parking Lot proposed acquisition consists of two adjoining parcels located at 830 Santa Barbara Street (APN 031-012-21) and 214 East Canon Perdido Street (APN 031-012-02). The subject properties are currently covered by asphalt. Additional improvements on the subject properties include exterior lighting and fencing. The 2008 Phase I report stated that the subject properties have been used for parking since the mid-1960s. The Phase I analysis and evaluation of the subject properties and adjacent properties supports the conclusion of "no evidence of recognized environmental conditions" in connection with the Castagnola Parking Lot. DGS/ESS agrees with these 2008 Phase I findings.

Other:

- Site Selection for this property was approved on October 29, 2008.
- The purchase price does not exceed estimated fair market value as determined by a DGS approved appraisal.
- The Department of Parks and Recreation is not 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.
- There is no relocation assistance involved with this project.
- There is no implied dedication applicable to this property.
- The subject properties are an addition to the existing El Presidio de Santa Barbara State Historic Park, which is a joint management effort between Department of Parks and Recreation (DPR) and the Santa Barbara Trust for Historic Preservation (Trust).

- The DPR will incorporate this property by amendment into an existing Operating Agreement with the Santa Barbara Trust for Historic Preservation for the development, improvement, restoration, care, maintenance, administration, and control of El Presidio de Santa Barbara State Historic Park pursuant to California Public Resources Code, Section 5080.36 which provides for ongoing operation and maintenance of the property. As such, no additional support needs are anticipated with this acquisition.

Staff Recommendation: Authorize acquisition.

CONSENT ITEM

CONSENT ITEM—3

DEPARTMENT OF GENERAL SERVICES (1760)
DEPARTMENT OF PARKS AND RECREATION (3790)
GAVIOTA STATE PARK
SANTA BARBARA COUNTY
DPR Parcel Number 14797, DGS Parcel Number 10546

Authority: Chapters 171 and 172, Budget Act of 2007, Item 3790-301-6051(3.7)

Consider authorizing site selection

CONSENT ITEM

STAFF ANALYSIS ITEM—3

Department of General Services
Department of Parks and Recreation
Gaviota State Park

Action requested

If approved, the requested action will authorize site selection.

Scope Description

This project is within scope. This request will authorize site selection of fee simple interest of two parcels totaling approximately 44 acres as an addition to Gaviota State Park. The acquisition of this property will protect the coastal view shed from further development and contains a variety of habitat types, including grasslands, riparian (two creeks), chaparral, and coastal sage scrub. The property will also be used to benefit and protect sensitive wildlife and plant ecological systems by reintroducing them into the area. The property will provide excellent day-use trail head for the public seeking access to trails on the eastern portion of the park, into the Gaviota back country, and the Los Padres Nation Forest.

Funding and Cost Verification

This project is within cost. The Legislature has approved \$15 million in Proposition 84 funding for the purchase of interests in lands that meet the established bond criteria, without specifying particular parcels in the amount. The property can be acquired with a portion of the remaining funds in accordance with Legislative intent.

CEQA

A Notice of Exemption was filed with the State Clearinghouse on October 14, 2008, and the statute of limitation period will expire on November 19, 2008.

Project Schedule

The anticipated close of escrow is March 2009.

Condition of Property

In October 2008, Department of General Services (DGS) – Environmental Services Section (ESS) staff visited the Gaviota Village site, located near Goleta, California. The subject property is comprised of two assessor parcels (APN 081-130-073 and 081-130-072), totaling approximately 44 acres. The land lies along the north side of U.S. Highway 101, one quarter mile west of the Mariposa Reina freeway exit. The topography of the subject property is mostly gently to moderately sloping, vegetated with grass and some mature pine trees. Parcel 72 is undeveloped, with the exception of two unmaintained paved roads that traverse the eastern and northern portions of the parcel, both connecting to a paved service road to the Santa Barbara County Fire Department. Parcel 73 includes remnant areas of paving, landscaping, and concrete foundations at the site of a former restaurant and service station. The subject property is located in a rural area of Santa Barbara County with mixed land use including agricultural, petroleum processing/storage, and open space. The property's southern and western sides abut Gaviota State Park and Beach.

Review of the Phase I Environmental Site Assessment of Gaviota Village Properties (Phase I) published in September 2008, by Campbell Geo Incorporated indicates that the underground fuel storage tanks (USTs) that were in the former service station were removed in 1989 and the structures were demolished in 1995. According to Amicus Strategic Environmental Consulting's Gaviota Village Environmental Conditions Report prepared in September 2008, in 1995 the surrounding soil was excavated to a depth of 20 feet to remove the gasoline-impacted soil from beneath the former UST site. Due to extent and depth of the excavation and attending safety concerns, the material below 20 feet was not excavated. The recognized environmental conditions associated with the former service station still exist on Parcel 73.

The Trust for Public Land (TPL) has retained the services of Amicus to develop a remediation strategy to reduce the residual fuel-related compounds in the soil beneath the former USTs. Remediation regulatory oversight includes Santa Barbara County and the Central Coast Regional Water Quality Control Board where remediation will involve in-place contaminant oxidation treatment and 24 months of post-remediation monitoring. TPL will manage the requirements for agency closure reimbursed by the California Underground Storage Tank Cleanup Fund.

Other:

- The purchase price shall not exceed estimated fair market value as determined by a DGS approved appraisal
- The DPR is not 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.
- This property will be acquired using a combination of funds from Proposition 84, county grant funding, and funds from the Goleta Valley Land Trust.
- The property is vacant. Improvements consist of remnant paving areas, landscaping, and concrete foundations.
- There is no relocation assistance involved with this project.
- There is no implied dedication applicable to this property.
- The DPR intends to use federal and other non-state funds to help offset acquisition costs; however, because the federal funds are set to expire in March 2009, the DPR will need to close escrow on this project prior to completed remediation and monitoring.
- Although, there is an existing funding source for that is available to transfer to DPR for completing this remediation process, the DPR has been directed by Board staff to provide a viable plan to address remediation following acquisition that will minimize any potential liabilities the state may acquire, including the cost of remediation to obtain a closure memo from the regional water quality control board, prior to requesting acquisition approval.
- Since the property will be an addition to the existing Gaviota State Park, DPR's management plan will incorporate this property into its routine periodic patrols for the entire park unit. As such, no additional support needs are anticipated with the acquisition of this property.
- While DPR does not foresee changes at this time to public access, development, or resource needs, any such changes will be addressed through the normal budget process.

Staff Recommendation: Authorize site selection.

CONSENT ITEM

CONSENT ITEM—4

DEPARTMENT OF FORESTRY AND FIRE PROTECTION (3540)
NORTH REGION FOREST FIRE STATION FACILITIES—REPLACE VARIOUS BUILDINGS
VARIOUS COUNTIES

Authority: Chapters 47 and 48, Statutes of 2006, Item 3540-301-0660 (1)
Chapters 268 and 269, Statutes of 2008, Item 3540-301-0660 (2.5)

Consider approval of preliminary plans

CONSENT ITEM

STAFF ANALYSIS ITEM—4

Department of Forestry and Fire Protection
North Region Fire Station Facilities, Various Counties

Action requested

If approved, the requested action would approve preliminary plans for Phase 2 of the project.

Scope Description

This project is within scope. The scope for the facilities included in this project, are outlined in Appendix A.

Funding and Cost Verification

This project is within cost. A total of \$25,045,000 (lease revenue bonds) has been appropriated for preliminary plans, working drawings and construction to replace the facilities detailed in Appendix A.

- \$25,045,000 total estimated project costs
- \$25,045,000 total authorized project costs
- \$ 1,592,000 project costs previously allocated: preliminary plans
- \$23,453,000 project costs to be allocated: \$767,000 working drawings and \$22,686,000 construction (\$19,464,000 contracts, \$2,248,000 project administration, and \$974,000 contingencies)

CEQA

For each of the following projects, a Notice of Exemption was filed with the State Clearing House and the waiting period has expired with no adverse comments:

- Del Puerto FS on November 20, 2007
- Elk Creek FS on May 12, 2006
- Smartville FS on March 15, 2006
- Thorn FS on February 27, 2007

Real Estate Due Diligence

For each of the following projects, a Summary of Conditions Memo was prepared and each memo contained no adverse findings:

- Del Puerto FS prepared on January 07, 2008
- Elk Creek FS prepared on October 26, 2007
- Smartville FS prepared on November 05, 2007
- Thorn FS prepared on November 05, 2007

Project Schedule:

Approve preliminary plans	December 2008
Complete working drawings	October 2009
Complete construction	May 2011

Other

- This agenda includes a Bond Item for the adoption of a supplemental resolution to authorize the use of interim financing, consistent with the \$2,406,000 increased project authority provided in the Chapters 268 and 269, Statutes of 2008 for lease revenue bond funds.

Staff Recommendation: Approve preliminary plans.

CONSENT ITEM

APPENDIX A

DEPARTMENT OF FORESTRY AND FIRE PROTECTION (3540) NORTH REGION FOREST FIRE STATION FACILITIES—SCOPE DETAIL

SCOPE DESCRIPTIONS

Buckhorn Fire Station - This project constructs a 3,134 square foot (sf) 8-bed barracks/mess hall building, a 348 sf generator/pump/storage building, and retrofits the existing apparatus building with fire sprinklers at Cal Fire's (CDF) Buckhorn Fire Station in Whitmore, California. The project also includes a hose wash rack, security fencing, a 5,000 gallon water tank, site work, utilities, paving, curbs, walkways and all associated appurtenances.

Burrell Fire Station - This project constructs a 3,134 sf 8-bed barracks/mess hall building, a 348 sf generator/pump/storage building, an 800 sf Self-Contained Breathing Apparatus (SCBA) building, and retrofits a 2-bay apparatus building with fire sprinklers at CDF's existing Burrell Fire Station located in Los Gatos, California. The project also includes a 20,000 gallon water tank, site work, utilities, paving, curbs, walkways, fuel vault, landscaping, and all associated appurtenances.

Point Arena Fire Station - This project constructs a 1,664 sf 2-bay apparatus building, a 648 sf generator/pump/storage building, retrofits the existing barracks/mess hall building with fire sprinklers, and remodels the residence at CDF's Point Arena Fire Station in Point Arena, California. The project also includes a hose wash rack, security fencing, site work, utilities, paving, curbs, walkways and all associated appurtenances.

Whitmore Fire Station - This project constructs a 3,753 sf 12-bed barracks/mess hall building, a 648 sf generator/pump/storage building with emergency generator, and retrofits the existing 3-bay apparatus with fire sprinklers at CDF's existing Whitmore Fire Station in Whitmore, California. The project also includes a 20,000 gallon water tank, hose wash rack, security fencing, site work, utilities, paving, curbs, walkways, landscaping and all associated appurtenances.

Del Puerto Fire Station - This project constructs a 3,620 sf 10-bed barracks/mess hall building, a 1,982 sf 2-bay dozer shed, a 648 sf generator/pump/storage building, a 512 sf administrative office building, a 1,540 sf covered vehicle wash rack building, and retrofits the existing 2-bay apparatus building and vehicle maintenance shop with fire sprinklers at CDF's existing Del Puerto Fire Station in Patterson, California. The project also includes security fencing, site work, utilities, paving, curbs, a fuel vault, walkways and all associated appurtenances.

Elk Creek Fire Station - This project constructs a 3,753 sf 12-bed barracks and mess hall, retrofits an existing apparatus building with an automatic fire sprinkler system, constructs a 648 sf generator/pump/storage building, installs a new septic system and leach field, and installs a retaining wall with security fencing at CDF's Elk Creek Fire Station in Elk Creek, California. The project also includes a 20,000 gallon water tank, a hose wash rack, site work, upgrade and replacement of utilities, paving, landscaping and all associated appurtenances.

Smartville Fire Station - This project constructs a 1,999 sf 3-bay apparatus building, a 648 sf generator/pump/storage building, a 152 sf administrative office building and retrofits the existing 12-bed barracks with fire sprinklers and alarm systems at CDF's existing Smartville Fire Station in Smartville, California. The project also includes a 20,000 gallon water tank, a hose wash rack, security fencing, site work, utilities, paving, curbs, walkways, landscaping and all associated appurtenances.

Thorn Forest Fire Station - This project constructs a 3,135 sf 8-bed barracks/mess hall, a 395 sf generator/pump house building, and retrofits the existing 2-bay apparatus building with fire sprinklers at CDF's existing Thorn Forest Fire Station in Whitethorn, California. The project also includes security fencing, site work, utilities, paving, curbs, walkways, landscaping and all associated appurtenances.

Forest Ranch Fire Station - This project constructs a 3,753 sf 12-bed barracks/mess hall building, a 156 sf Battalion Chief's office, a 335 sf bay attached at the existing apparatus building, a 648 sf generator/pump/storage building, and retrofits an existing apparatus building with a fire sprinkler system at CDF's Forest Ranch Fire Station located in Forest Ranch, California. The project also includes a 20,000 gallon water tank, a hose wash rack, security fencing, site work, a new water system, utilities, paving, curbs, walkways, landscaping, drainage and other appurtenances as it relates to the new structures.

Saratoga Summit Fire Station - This project constructs a 3,753 sf 12-bed barracks/mess hall building, a 648 generator/pump/storage building, a 156 sf administrative office building, and retrofits the existing apparatus building with a fire sprinkler system at CAL FIRE's existing Saratoga Summit Fire Station in Los Gatos, California. The project also includes a hose wash rack, security fencing, site work, landscaping, utilities, paving, curbs, walkways and all associated appurtenances.

Susanville Fire Station - This project constructs a 3,953 sf 14-bed barracks/mess hall building, a 648 generator/pump/storage building, and a 156 Battalion Chief's (BC) office building at CAL FIRE's Susanville Fire Station in Susanville, California. The project also includes security fencing, site work, utilities, paving, curbs, walkways and all associated appurtenances.

CONSENT ITEM

CONSENT ITEM—5

**DEPARTMENT OF PARKS AND RECREATION (3790)
COLUMBIA STATE HISTORIC PARK
CITY AND FALLON HOTEL COMPLEXES AND THE JENNY LIND RESTAURANT-
ANGELOS HALL FACILITY
TUOLUMNE COUNTY**

Authority: Concession Contract Section 5080.20(c) of the Public Resources Code

Consider authorizing the Department of Parks and Recreation to issue a request for proposals of a concession contract for the operation of the City and Fallon Hotel Complexes and the Jenny Lind Restaurant-Angelos Hall facility in Columbia State Historic Park.

CONSENT ITEM

STAFF ANALYSIS ITEM—5

Department of Parks and Recreation
Columbia State Historic Park
City and Fallon Hotel Complexes and the Jenny Lind Restaurant-Angelos Hall Facility
Tuolumne County

Action requested

If approved, the requested action will authorize the Department of Parks and Recreation (Parks) to issue a concession contract for the operation of the City and Fallon Hotel Complexes and the Jenny Lind Restaurant-Angelos Hall facility in Columbia State Historic Park.

Scope Description

The proposed concession contract includes: (1) a contract term of up to 20 years, (2) rent estimated to be at least \$25,000 annually, (3) facility improvements at a minimum of \$250,000, and (4) a \$5,000 annual payment for restoration of state-owned objects to be provided by the new concessionaire.

Funding and Cost Verification

The issuance costs of the request for proposals (RFP) for the proposed concession contract will be approximately \$7,500, payable from the State Parks and Recreation Fund. The costs will be absorbed within Parks' existing budget.

CEQA

Concession contracts do not require a California Environmental Quality Act review (CEQA); however, construction under the proposed concession contract may require a CEQA review.

Project Schedule:

Release of the RFP	December 2008
Contract award	May 2009
Facility improvements	June 2009

Other:

- The concession is located in Columbia State Historic Park, listed in the National Register of Historic Places, in Tuolumne County, approximately 80 miles east of Stockton and Modesto. Visitation to the park in 2007 was approximately 400,000.
- Public Resources Code Section 5080.20 requires new Parks' concession contract terms to be approved by the Legislature during the annual budget process. The section also states that if the State Public Works Board (SPWB) determines that the proposed concession contract could not have been presented to the Legislature for review during the annual budget process, and that waiting for the next budget cycle would not be in the public interest, that the SPWB may review and approve the proposal after providing a 20-day written notice to the Legislature.
- The current concession contract has been on a month-to-month basis since January 2004. The concessionaire provided a verbal notification to Parks to terminate the month-to-month contract in February 2009.
- An initial long-term concession contract was approved by the Legislature during the 2003-04 budget process. However, because of changes in concession economics and a need for greater capital investments to maintain the historic structures, that contract was not consummated. Instead, a Feasibility Study was conducted to identify options to increase profitability and public interest in the concession. Requirements included in the new proposed concession contract are based on findings of the Feasibility Study finalized in May 2008.
- The proposed concession contract will be for a term of up to 20 years. A long-term contract is needed in order to obtain a concessionaire's agreement to fund the capital improvements and infrastructure repairs that are needed to maintain the historic structures. These improvements include plumbing, heating, ventilating, and air conditioning systems, and will cost at least \$250,000.
- The operation of the hotel complexes is critical to the success of the other concessions in the park because it serves as an anchor for the 19 surrounding concessions.
- Most of the 19 concessionaires are small business owners with monthly sales ranging from \$1,500 (a stationary store in low season) to \$98,000 (a candy store in peak season).

- It is necessary for the SPWB to review the request to avoid adverse impact to the 19 concessionaires. In addition, deferring the review and approval of the proposed concession contract to the 2009-10 budget process would necessitate a closure of the hotel complexes during the summer peak season, and would be adverse to the interests of the public.
- The 20-day notification letter regarding Parks' concession agreement was sent to the Legislature on November 21, 2008. Based on the notification requirement, the SPWB is authorized to review and approve this request.

Staff Recommendation: Authorize Parks to issue a request for proposals for a concession contract for the operation of the City and Fallon Hotel Complexes and the Jenny Lind Restaurant-Angelos Hall facility in Columbia State Historic Park.

CONSENT ITEM

CONSENT ITEM—6

DEPARTMENT OF PARKS AND RECREATION (3790)
KENNETH HAHN STATE RECREATION AREA,
VISTA PACIFICA VISITOR CENTER
LOS ANGELES COUNTY

*Authority: Chapter 157, Statutes of 2003, Item 3790-301-6029 (2.5),
Chapter 47, Statutes of 2006, 3790-491-6029(2)*

Consider approval of an augmentation

\$1,134,000
(11.3 percent total project)
(19.9 percent cumulative)

CONSENT ITEM

STAFF ANALYSIS ITEM—6

Department of Parks and Recreation
Kenneth Hahn State Recreation Area, Vista Pacifica Visitor Center
Los Angeles County

Action requested

If approved, the requested action would approve an augmentation for this project.

Scope Description

This project is within scope. This project constructs a new visitor center and associated facilities on the Vista Pacifica property at Kenneth Hahn State Recreation Area. This project includes a visitor center facility of approximately 10,000 square feet that houses interpretive and exhibit space, the shell of a food service facility, and appropriate office space. This project also includes appropriate site access, associated parking, utility infrastructure, interpretive exhibits, roadway improvements, trails, viewing areas, and a small picnic area.

Funding and Cost Verification

This project is not within cost. A total of \$10,000,000 has been appropriated for this project. In addition, two augmentations totaling \$861,000 were previously approved, for a previously authorized total project cost of \$10,861,000. The requested augmentation of \$1,134,000 (11.3 percent total project) from Proposition 40 bond funds will increase total project cost to \$11,995,000. The augmentation is needed to fund increased construction costs (\$730,000), utility connection fees (\$282,000), project management fees (\$50,000), and contingency (\$72,000). This augmentation, combined with previous augmentations, will result in a cumulative augmentation of \$1,994,809 (19.5 percent total project). Construction is approximately 90 percent complete at this time.

Although the project is nearly complete, the requested augmentation is needed to fund the following increased project costs and complete the project as legislatively authorized:

- **Construction Claims** – Because of the complexity of this project, multiple field adjustments and changes were needed to accommodate the installation of various building systems, such as mechanical units, electrical raceways, audio visual systems, and light control elements. However, conflicts between these systems were not readily apparent in the design specifications, thus making it difficult to determine if the associated delays and material costs should be born by the state or the contractor. In addition, delivery times for several large building components were delayed beyond the control of the state and the contractor. For example, delivery times for assemblies such as glazing systems changed from 8 to 10 weeks to 25 to 30 weeks, resulting in increased contractor overhead costs. While the total amount of contractor claims will not be known until construction is complete, Parks estimates that as much as \$730,000 will be needed to settle all state-driven costs.
- **Utility Connection Fees** – Actual utility connection fees were \$282,000 higher than anticipated. The budget estimate for these fees was based on information provided by the utility providers during the design phase.
- **Project Management Fees** - Combined, the above changes have added a total of six months to the project schedule. The extended construction schedule has increased construction inspection and project management costs by \$50,000. Project completion is now scheduled for January 2009.
- **Contingency Replenishment** – Meeting the unexpected costs to date has depleted the project's contingency reserve. Parks is requesting an additional \$72,000 to replenish this reserve, in the event that the amount necessary to settle with the general contractor.

\$10,861,000 total authorized project costs

\$11,995,000 total estimated project costs

\$10,861,000 project costs previously allocated: studies \$39,000, preliminary plans \$457,000, working drawings \$680,000, and construction \$9,507,000 (contract \$7,705,000, contingency \$786,000, A&E \$479,000 A&E, and agency-retained \$537,000)

\$ 1,134,000 requested augmentation: construction \$1,134,000 (claims \$1,012,000, A&E \$50,000, contingency \$72,000)

On October 24, 2008, the Department of Finance notified the chairs of the Joint Legislative Budget, the Senate Appropriations, and the Assembly Appropriations Committees of its intent to approve this augmentation at the State Public Works Board meeting on December 14, 2008.

CEQA

A Notice of Determination was filed with the State Clearinghouse on April 20, 2004, and the waiting period expired on May 20, 2004.

Real Estate Due Diligence

Due diligence was completed in October 2000 for the property. The property was purchased by Santa Monica Coastal Conservancy and transferred to Department of Parks and Recreation. The condition of the property has not changed.

Project Schedule:

Approve preliminary plans	January 2005
Complete working drawings	January 2006
Complete construction	December 2008

Staff Recommendation: Approve augmentation.

CONSENT ITEM

CONSENT ITEM—7

**DEPARTMENT OF CORRECTIONS AND REHABILITATION (5225)
CHUCKAWALLA VALLEY STATE PRISON: WASTEWATER
TREATMENT PLANT IMPROVEMENTS
BLYTHE, RIVERSIDE COUNTY**

*Authority: Chapters 47 and 48, Statutes of 2006, Item 5225-301-0001 (18)
Chapters 171 and 172, Statutes of 2007, Item 5225-301-0001 (15)
Chapters 268 and 269, Statutes of 2008, Item 5225-301-0660 (3)*

Consider:

- a. Recognition of a scope change
 - b. Approval of an augmentation **\$209,000**
- (0.8 percent total project costs)
(1.0 percent cumulative)**

CONSENT ITEM

STAFF ANALYSIS ITEM—7

Department of Corrections and Rehabilitation
Chuckawalla Valley State Prison
Wastewater Treatment Plant Improvements

Action Requested

If approved, the requested actions would recognize a scope change and approve an augmentation.

Scope Description

This project is not within scope. The Department of Corrections and Rehabilitation (CDCR) Chuckawalla Valley State Prison (CVSP) Wastewater Treatment Plant (WWTP) Improvements project includes work to pave sludge drying beds, construct a solid storage pad, replace influent pumps, add variable frequency drives, increase capacity of the CVSP influent pump station, and add various related piping and flow management improvements.

CDCR requests a scope change to add a new transfer pump station to the project and to augment working drawings to do so. The added scope of the new transfer pump station will include pumps and two fiberglass water tanks, needed utilities, piping reconfigurations, and an enclosure with a shade structure. CDCR notes these additions are necessary for proper storage and transfer of the concentrated brine water generated from the potable water treatment facility, consistent with the long-term brine management plan approved the Colorado River Basin Regional Water Quality Control Board in 2007. CDCR expects working drawings to be complete in May 2009 and construction to begin in August 2009.

On November 21, 2008, the Department of Finance notified the chairs of the Joint Legislative Budget, the Senate Appropriations, and the Assembly Appropriations Committees of its intent to recognize this scope change at a State Public Works Board meeting no sooner than 20 days after the date of the notification.

Funding and Project Cost Verification

This project is not within cost. The Budget Acts of 2006, 2007, and 2008 and one related augmentation authorized \$1.8 million General Fund and \$25.3 million Public Buildings Construction Funds (lease revenue bonds) for the project. Adding the new transfer pump station into working drawings will require an augmentation of \$209,000 General Fund. CDCR estimates added construction costs will be approximately \$2.2 million in lease revenue bond funds, but until the construction portion of this project is bid, the amount of anticipated deficit and the need for additional augmentation, if any, is unknown. As a result, the CDCR currently requests an augmentation only to the working drawings phase.

\$27,129,000	total authorized project cost
\$27,338,000	total estimated project cost
\$ 1,798,000	project costs previously allocated: preliminary plans \$857,000 General Fund, working drawings \$941,000 General Fund
\$25,331,000	project costs to be allocated: construction \$25,331,000 lease revenue bond funds (\$20,407,000 contract, \$1,428,000 contingency, \$1,562,000 A&E, \$1,780,000 other project costs, and \$154,000 agency retained)
\$ 209,000	requested augmentation: working drawings

CEQA

A Notice of Determination was filed with the State Clearinghouse on December 4, 2007, and the 30-day waiting period expired on January 3, 2008, with no public comment.

Real Estate Due Diligence

The Department of General Services prepared a Summary of Conditions Memo for this project dated March 7, 2008, and it was noted no significant issues were identified.

Project Schedule:

Approve preliminary plans	March 2008
Approve working drawings	May 2009
Complete construction	July 2011

Staff Recommendation: Recognize scope change and approve augmentation.

CONSENT ITEM

CONSENT ITEM—8

DEPARTMENT OF CORRECTIONS AND REHABILITATION (5225)
SIERRA CONSERVATION CENTER
EFFLUENT DISPOSAL PIPELINE
JAMESTOWN, TUOLUMNE COUNTY

Authority: Chapter 324, Statutes of 1998, Item 5240-301-0001 (29)
Chapter 50, Statutes of 1999, Item 5240-301-0001 (24), as reappropriated by
Item 5240-490, Budget Act of 2000 (Ch. 52, Stats. 2000)
Chapter 52, Statutes of 2000, Item 5240-301-0001 (35)
Chapter 106, Statutes of 2001, Item 5240-301-0001 (26), as reappropriated by
Item 5240-490, Budget Act of 2002 (Ch. 379, Stats. 2002), Budget Act of
2003 (Ch. 157, Stats. 2003), and Budget Act of 2004 (Ch. 208, Stats. 2004)
and reverted by Item 5225-495, Budget Act of 2005 (Chs. 38 and 39, Stats.
2005)
Chapters 38 and 39, Statutes of 2005, Item 5225-301-0001 (17), as reverted by
Item 5225-495, Budget Act of 2007 (Chs. 171 and 172, Stats. 2007)
Chapters 171 and 172, Statutes of 2007, Item 5225-301-0001 (12.7)

Consider approval of an augmentation

\$3,662,000
(17.5 percent total project cost)
(18.9 percent cumulative)

CONSENT ITEM

STAFF ANALYSIS ITEM—8

Department of Corrections and Rehabilitation
Sierra Conservation Center
Effluent Disposal Pipeline
Jamestown, Tuolumne County

Action requested

If approved, the requested action will approve an augmentation.

Scope Description

This project is within scope. This project includes construction of a reservoir, two pumping stations (one at the SCC wastewater treatment plant and the second adjacent to the new reservoir), and approximately eight miles of pipeline to connect the two pumping stations. Once this project is complete the pumping stations and pipeline will be used to convey treated wastewater from the SCC wastewater treatment plant to the reservoir where it will be stored and later used for irrigation.

Funding and Cost Verification

This project is not within cost. The Department of Corrections and Rehabilitation (CDCR), in consultation with the Department of General Services (DGS), requests an augmentation of \$3,662,000 General Fund (17.5 percent of total project costs) to complete construction of the pipeline and pumping stations components and winterization for the reservoir component of the Sierra Conservation Center (SCC), Effluent Disposal Pipeline project. This augmentation, combined with previous augmentations of \$276,000 (\$65,000 acquisition, \$89,000 working drawings, and \$122,000 construction) will result in a cumulative augmentation of \$3,938,000 (18.9 percent of total project costs).

In September 2008, CDCR, in coordination with DGS, determined the costs associated with completion of this project increased beyond the augmentation authority of the State Public Works Board. Consequently, this project was suspended pending determination of the most appropriate approach to complete the project. At that time the pipeline was 97 percent complete, the pumping stations were 57 percent complete, and the reservoir was 63 percent complete.

The increased construction costs are the result of unforeseen site conditions encountered during construction and underestimated costs for compliance with the conditions of various permits necessary for this project. These costs are attributed to additional earthwork and environmental mitigation costs associated with: (1) additional excavation necessary to reach solid enough rock to support construction of the dam required for the reservoir component for this project, (2) underestimated costs associated with the replacement of wetlands and trees disturbed as a result of this project, (3) more complex reseeding requirements than were originally expected for all of the soil disturbed as a result of this project, and (4) higher than anticipated costs for water quality monitoring and testing.

After considering the alternatives, it has been determined the most effective and appropriate way to proceed is to complete the pipeline and pumping stations components of this project and winterize the reservoir component to protect the work that has already been completed. By completing the pipeline and pumping stations, SCC will gain limited operation of the effluent disposal pipeline system. Although the reservoir will not be functional, the pumping station adjacent to the reservoir includes a water storage tank that will provide some additional storage capacity and will enable the treated wastewater to be used for irrigation. The requested augmentation will provide the additional funding necessary to complete these activities. Once the necessary winterization activities have been completed on the reservoir component, work on that portion of this project will be suspended until additional funding, estimated to be \$4.8 million, has been made available for this project's completion as part of the 2009-10 Budget.

This approach helps minimize the overall project cost by enabling DGS to release one of the two contractors working on this project, avoiding extended overhead costs because of additional project delays, and minimize the amount of extended overhead costs associated with the second contractor. It also eliminates the need to procure appropriate storage to protect the significant amount of previously procured materials and equipment on site for the pumping stations. In addition, this approach will provide limited relief to SCC's retention pond capacity during the upcoming rainy season by enabling SCC to deliver effluent water, for irrigation use, to the owner of the land the reservoir is being built on. Providing this water for irrigation will also help SCC comply with the agreement it entered into with the landowner for the land on which to build the reservoir.

On November 21, 2008, the Department of Finance notified the chairs of the Joint Legislative Budget, the Senate Appropriations, and Assembly Appropriations Committees of its intent to recommend approval of this augmentation to the State Public Works Board no sooner than 20 days from that date.

\$21,163,000	total authorized project cost
\$29,676,000	total estimated project cost
\$21,163,000	project costs previously allocated: \$415,000 acquisition, \$956,000 preliminary plans, \$996,000 working drawings, \$18,796,000 construction (\$15,417,000 contract, \$744,000 contingency, \$1,144,000 A&E, \$1,491,000 other project costs)
\$ 0	project costs to be allocated:
\$ 3,662,000	augmentation request: construction (\$1,918,000 contract, \$123,000 contingency, \$275,000 A&E, \$1,346,000 other project costs)
\$ 4,851,000	anticipated deficit: construction (\$3,707,000 contract, \$310,000 A&E, \$834,000 other project costs)

CEQA

A Notice of Determination was filed with the State Clearinghouse on May 24, 2001, May 10, 2004, and May 1, 2006, and the 30-day statute of limitations for each expired without public comment.

Real Estate Due Diligence

The Department of General Services completed a Summary of Conditions Memo for this project on September 17, 2004, and it is noted that no significant issues were identified.

Project Schedule:

Approve preliminary plans	June 2002
Complete working drawings	January 2005
Complete construction	May 2010

Staff Recommendation: Approve augmentation.

ACTION ITEMS

ACTION ITEM—1

DEPARTMENT OF GENERAL SERVICES (1760)
OFFICE BUILDING #8 and #9 RENOVATION, SACRAMENTO COUNTY

Authority: Chapter 106, Statutes of 2001, Item 1760-301-0660 (1)
Chapter 379, Statutes of 2002, Item 1760-301-0660 (2)
Chapter 38, Statutes of 2005, Item 1760-301-0660 (2)

Consider approval of augmentation

\$5,159,000
(3.8 percent total project)
(13.7 percent cumulative)

ACTION ITEMS

STAFF ANALYSIS ITEM—1

Department of General Services
Office Building #8 & #9 Renovation Project
Sacramento County

Action requested

If approved, the requested action would approve an augmentation for this project.

Scope Description

This project is within scope. This project consists of the renovation of two-eighteen story towers known as OB 8 and OB 9. This project will renovate the two towers and construct a two story reception building will connect the towers, providing one public entrance, and a new childcare center to be located on the first floor of Office Building 8. The renovation consists of the abatement of hazardous materials; structural upgrade of both buildings to Seismic Risk Level III; demolition of all interior partitions including removal and replacement of existing finishes; demolition and upgrades to portions of the existing mechanical, electrical, plumbing, telephone, data, elevator and security systems; upgrade of all Fire and Life Safety items and upgrades for the Americans with Disabilities Act (ADA) to current codes.

Funding and Cost Verification

This project is not within cost. Due to the unknown conditions in the buildings, the projected costs currently exceed the existing 7 percent contingency and the 2.4 percent augmentation granted in March 2008. These unknown conditions include items such as deteriorated piping and valves, obsolete mechanical equipment, uneven floors and obstructions, and difficulties separating the occupied and unoccupied buildings in order to perform work. The project has also incurred a 102 calendar day delay due to the numerous changes involved with the construction. This project was previously augmented by \$10,203,640 to award the bid and \$3,275,000 for unforeseen conditions that were discovered during the renovation of OB 8.

Most of the changes that were required in Office Building 8 are also required in Office Building 9. The changes for Office Building 9 will need to be negotiated and executed as soon as possible in order for these changes to be incorporated into the Office Building 9 which started construction in November 2008.

On December 1, 2008, the Department of Finance notified the chairs of the Joint Legislative Budget, the Senate Appropriations, and the Assembly Appropriations Committees of its recommendation that the PWB approve this augmentation contingent upon expiration of the 20-day notice period without adverse comment.

\$154,616,000	total estimated project costs
\$149,457,000	total authorized project costs
\$149,457,000	project costs previously allocated: preliminary plans \$3,774,000, working Drawings \$4,303,000, construction \$141,380,000 (contract \$110,412,000, contingency \$7,565,000, A&E \$4,636,000, other \$18,766,000)
\$ 5,159,000	project costs to be allocated: construction \$5,160,000

CEQA

A Notice of Exemption/Determination was filed with the State Clearinghouse on August 20, 2003, and the waiting period expired on September 18, 2003.

Real Estate Due Diligence

DGS Real Estate Services completed the required real estate due diligence on May 18, 2005, and reported that no title exceptions were found in the due diligence process.

Project Schedule:

Approve preliminary plans	May 2004
Approve working drawings	May 2006
Complete construction	May 2010

Staff Recommendation: Approve augmentation contingent upon expiration of the 20-Day notification period without adverse Legislative comment.

ACTION ITEMS

ACTION ITEM—2

DEPARTMENT OF GENERAL SERVICES (1760)
MILITARY DEPARTMENT (8940)
CONSOLIDATED HEADQUARTERS COMPLEX
SACRAMENTO COUNTY
Project No. MIL 502A, DGS Property No. 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)*

Consider whether to remain in the Option, Purchase, and Sale Agreement for approximately 30 acres in the City of Rancho Cordova. This Agreement was approved by the Board at its June 13, 2008 meeting

ACTION ITEMS

STAFF ANALYSIS ITEM—2

Department of General Services
Military Department
Consolidated Headquarters Complex
Sacramento County

Action requested

If adopted, the requested action will determine whether the state should remain in an Option, Purchase and Sale Agreement for approximately 30 acres in the City of Rancho Cordova.

Scope Description

This project is within scope. The state, through the Military Department and Department of General Services (DGS), has 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 300,000 square foot main building and 22,600 square foot supply facility. 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 on June 25, 2008. The terms of the purchase option allow the state to reserve the property for up to four years, thereby meeting the required time commitment. During this time, the property owner would continue to maintain the property. Other elements of the purchase option include the following:

- A total cost not to exceed \$550,000, with the state to provide \$175,000 for the first year of the option, and \$125,000 for each of the three following years.
- One-half the option payment shall be credited towards the property's purchase price of \$10,455,000. This price is based upon a DGS-approved appraisal of the developable 30 acres and is within market parameters.
- 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. In addition, the state is not required to make any further annual option payments.
- This property is subject to a development agreement with the City of Rancho Cordova that could affect the functionality of the site. Within the first 120 days, the developer and the state will work with the city to determine if the development agreement can be removed. If, after 120 days, it is not possible to remove the development agreement, there will be 60 days to decide whether the state would consider taking the property subject to the agreement. If yes, the developer shall provide \$250,000 plus interest to compensate the state for administrative and management costs associated with any performance the state may be required to undertake pursuant to the development agreement. If no, the developer shall return to the state the \$175,000 plus interest provided for the first year of the purchase option. **This decision must occur by December 22, 2008.**

Since the Board acted in June to authorize the entering into the Option, Purchase and Sale Agreement, the DGS has been in negotiations with the City of Rancho Cordova. Based on the state of negotiations between the DGS and the City of Rancho Cordova, we believe that the City of Rancho Cordova is willing to remove the property from the development agreement in exchange for a Memorandum of Understanding outlining some basic commitments regarding development impact fees, and land use and design. While not complete, negotiations are going well and we believe that an agreement can be met that we would support. Therefore, we recommend that the state remain in the purchase option.

Funding and Cost Verification

This project is within cost. Chapters 47 and 48, Statutes of 2006, Item 8940-301-0001 (1), provides \$1,000,000 and Chapters 171 and 172, Statutes of 2007, Item 8940-301-0001 (0.5) provides an additional \$100,000 for the purchase option and associated costs.

CEQA

A Notice of Exemption was filed with the State Clearinghouse on December 3, 2007. The 35-day statute of limitations expired on January 6, 2008.

Project Schedule:

Acquire Purchase Option	June 2008
Acquisition	June 2012

Staff Recommendation: Remain in the Option, Purchase and Sale Agreement for approximately 30 acres in the City of Rancho Cordova.

OTHER BUSINESS

NONE

REPORTABLES

To be presented at the meeting.