CALIFORNIA STATE
PUBLIC WORKS BOARD
EDMUND G. BROWN JR., GOVERNOR
915 L STREET ■ NINTH FLOOR ■ SACRAMENTO CA ■ 95814-3706 ■ (916) 445-9694

AGENDA WITH ANALYSIS

NOTICE OF MEETING
STATE PUBLIC WORKS BOARD
Friday, January 14, 2011

The **STATE PUBLIC WORKS BOARD will meet on Friday, January 14, 2011, 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
January 14, 2011
10:00 a.m.
Room 113
State Capitol
Sacramento, California

I.	Roll Call		
II.	Approval of minutes from the December 13, 2010 meeting		
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CONSENT ITEMS

CONSENT ITEM—1

JUDICIAL COUNCIL OF CALIFORNIA (0250)
ADMINISTRATIVE OFFICE OF THE COURTS
NEW EL CENTRO FAMILY COURTHOUSE
IMPERIAL COUNTY
AOC Facility Number 13-G1, DGS Parcel Number 10693

Authority: Sections 70371.5 and 70371.7 of the Government Code
Chapter 1, Statutes of 2009, Third Extraordinary Session, as amended by
Chapter 1, Statutes of 2009, Fourth Extraordinary Session, Item 0250-301-3138(2)

Consider authorizing site selection

CONSENT ITEMS

STAFF ANALYSIS ITEM—1

Judicial Council of California
Administrative Office of the Courts
New El Centro Family Courthouse

Action Requested

If approved, the requested action would authorize site selection.

Scope Description

This project is within scope. The project provides for the site acquisition of land for the construction of a new 4-courtroom, 54,000 square foot facility with associated improvements for use by the Superior Court of California (Court) for judicial, administrative, and related purposes. The project will provide surface parking and secure parking for judicial officers and staff. The proposed site consists of 2.3 acres of vacant land located on Thomas Lane between Merrill Center Drive and Thomas Drive, in the City of El Centro, Imperial County

Funding and Cost Verification

This project is within cost. Chapter 1, Statutes of 2009, Third Extraordinary Session, as amended by Chapter 1, Statutes of 2009, Fourth Extraordinary Session, Item 0250-301-3138(6) provides $2,683,000 for land acquisition. This property can be acquired with the funds available and in accordance with Legislative intent.

CEQA

Subsequent to the site selection process and in accordance with the California Environmental Quality Act (Public Resources Code Section 21000-21177) and pursuant to Section 15063 of Title 14 of the California Code of Regulations, the Judicial Council of California, acting in the capacity of Lead Agency, will undertake the preparation of an Initial Study to determine if the proposed project would have a significant environmental impact. This will be submitted with a future site acquisition application for the selected site.

Project Schedule

Estimated close of escrow	June 2011
Approve preliminary plans	July 2011
Complete working drawings	October 2012
Start construction	January 2013
Complete construction	July 2014

Condition of Property

In November 2010, staff from Department of General Services (DGS) staff visited the proposed site. The proposed site was farmed with row crops but has been vacant since 1996. The proposed site has been graded and has no structures on the property. The surrounding area is a part of the El Centro Redevelopment Project Area and improvements have been made to the public infrastructure, such as, flood control, drainage systems, streetscape improvements, widening of roadways, curbs, gutters and sidewalks. DGS staff found that the proposed site did not contain any apparent hazards to health and safety or any adverse restrictions for site development.

A Phase I Environmental Site Assessment was completed in February 2010, in accordance with the American Society for Testing and Materials Standard Practice for Environmental Site Assessment. The Phase I reported no recognized evidence of environmental conditions in connection with the subject property. While the property may have pesticides and fertilizer residue from the farming operations, these are not generally at concentrations that affect worker health and safety. DGS staff recommends that the Administrative Office of the Courts consider potential mitigation measures noted in the Phase I should offsite disposal of excavated soils be necessary.

Other

- The proposed site meets the Judicial Council's size, location, and compatibility requirements.
- The purchase price shall not exceed the estimated fair market value as indicated in the DGS approved appraisal report.
- The proposed site is located within a redevelopment agency plan area. If this property proceeds to the acquisition stage, the state will enter into a Memorandum of Understanding with the redevelopment agency, wherein the redevelopment agency waives restriction and control rights it may have under its current or future redevelopment plans.
- There are no historic issues, relocation assistance, or implied dedication associated with this project.

Staff Recommendation: Authorize site selection.

CONSENT ITEMS

CONSENT ITEM—2

JUDICIAL COUNCIL OF CALIFORNIA (0250)
ADMINISTRATIVE OFFICE OF THE COURTS
NEW SANTA BARBARA COURTHOUSE (MTD SITE)
SANTA BARBARA COUNTY
AOC Facility Number 42-M1, DGS Parcel Number 10671

Authority: Sections 70371.5 and 70371.7 of the Government Code

Consider authorizing site selection

CONSENT ITEMS

STAFF ANALYSIS ITEM—2

Judicial Council of California
Administrative Office of the Courts
New Santa Barbara Courthouse (MTD Site)
Santa Barbara County

Action Requested

If approved, the requested action would authorize site selection.

Scope Description

This project is within scope. The requested action would authorize site selection for the construction of a new 8-courtroom, 98,000 square foot facility in Santa Barbara County. This project is for use by the Superior Court of California for judicial, administrative, and related purposes and will include a 240-car parking structure with secured parking for judicial officers and administrative staff. The total size of the MTD site is approximately 8.9 acres of undeveloped land. A portion of the MTD site, 2.5 acres, will be carved out for the courthouse project. The site is located just outside the Santa Barbara city limits north of the County jail and health services departments off Highway 101.

Funding and Cost Verification

This project is within cost. Sections 70371.5 and 70371.7 of the Government Code provide $41,541,000 for the acquisition phase. This property can be acquired with the funds available and in accordance with Legislative intent.

CEQA

Subsequent to the site selection process and in accordance with the California Environmental Quality Act (Public Resources Code section 21000-21177) and pursuant to section 15063 of Title 14 of the California Code of Regulations, the Judicial Council of California, acting in the capacity of Lead Agency, will undertake the preparation of an Initial Study to determine if the proposed project would have a significant environmental impact. This will be submitted with a future site acquisition application for the selected site.

Condition of Property

In November 2010, the Department of General Services staff visited the MTD site located in the unincorporated area of Santa Barbara, Santa Barbara County. The site is currently rough graded, undeveloped land. There were no structures located on the site. An asphalt-paved walkway is located on the central portion of the site.

A Phase I Environmental Site Assessment was completed in September 2010, in accordance with the American Society of Testing and Materials. This assessment revealed no recognized environmental conditions in connection with the site. However, the Phase I report recommends a subsurface investigation at the site to evaluate impacts by past agriculturally-related chemicals prior to site development.

Project Schedule

Estimated close of escrow	September 2011
Approval of preliminary plans	September 2012
Complete working drawings	September 2013
Start construction	January 2014
Complete construction	December 2015

Other

- The proposed site meets the Judicial Council's size, location, and compatibility requirements.
- This is the second site selected for this project. The Board previously authorized site selection for another property associated with this project at the December 2010 meeting.
- The purchase price shall not exceed the estimated fair market value as indicated in a Department of General Services approved appraisal.
- There is no historic or implied dedication issues associated with this site.
- A subsurface investigation at the site will be completed to evaluate impacts by past agriculturally-related chemicals prior to site development.

Staff Recommendation: Authorize site selection.

CONSENT ITEMS

CONSENT ITEM—3

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

Authority: Sections 70371.5 and 70371.7 of the Government Code

Consider authorizing site selection

CONSENT ITEMS

STAFF ANALYSIS ITEM—3

Judicial Council of California
Administrative Office of the Courts
New Family Justice Center (VTA Site)
Santa Clara County

Action Requested

If approved, the requested action would authorize site selection.

Scope Description

This project is within scope. The requested action would authorize site selection of a 0.3 acre parcel (VTA site) as an addition to the contiguous 1.6 acre property presented to the Board for no-cost acquisition authorization on November 15, 2010 (County site). This project will replace five leased facilities with a new 20-courtroom, 234,000 square foot facility. The VTA site will provide surface parking and secure parking for judicial officers and staff. The VTA site is located on North First Street at West Saint James Street in the historic area of downtown San Jose, Santa Clara County.

Funding and Cost Verification

This project is within cost. Sections 70371.5 and 70371.7 of the Government Code provided $6,205,000 for land acquisition. The property can be acquired with the funds available and in accordance with Legislative intent.

CEQA

A Notice of Determination was filed with the State Clearinghouse on April 12, 2010, and the statutes of limitation expired on May 12, 2010, without a challenge.

Project Schedule

Estimated close of escrow	May 2011
Approve preliminary plans	December 2011
Complete working drawings	November 2012
Start construction	February 2013
Complete construction	July 2014

Condition of Property

In January 2010, the Department of General Services (DGS) staff conducted a site visit to assess the general condition of the VTA site. The VTA site is a paved lot used by the Downtown Superior Court for jury and public vehicle parking. No above ground buildings or structures were observed on the site.

A Phase I Environmental Site Assessments report was completed in December 2008, in accordance with the American Society for Testing and Materials Standard Practice. The Phase I identified a former gasoline station on the subject property near North First Street. Based on the Phase I findings, a Limited Environmental Phase II Investigation was conducted in December 2009 to evaluate the potential for soil and groundwater impacts. Three underground storage tanks (UST) were discovered. Based on the soil and groundwater analytical data, there does not appear to be a release to groundwater associated with the USTs. However, the Phase II ESA recommends the following actions.

1. Excavate and remove the USTs, vent lines, and apparent product piping from the VTA site in accordance with local regulatory guidance.
2. Based on the results of the UST removal, consider abandonment of the groundwater monitoring wells in accordance with Santa Clara Valley Water District guidelines.
3. Prepare a Soil Management Plan to present the decision framework for managing soils associated with future redevelopment. There is the potential for soil contamination to exist beneath the buried metal anomalies identified during the geophysical survey. The Soil Management Plan should outline the general protocols and health and safety measures should discovery of contaminated soil occur during construction grading activities.

Other

- The proposed site meets the size, location, and compatibility requirements of the Judicial Council.

- The purchase price shall not exceed the estimated market value as indicated in a DGS approved appraisal.
- The subject site is improved with, and currently operated as, a paved parking lot. A current parking lot agreement with a private operator will expire in February 2011. The parking lot improvements will be demolished during the construction process.
- Three USTs have been identified on the subject property. If this site proceeds to the acquisition phase, prior to transfer of title to the state, the USTs will be removed and the groundwater monitoring well abandoned in accordance with local regulatory requirements.
- There are no historic issues, relocation assistance, or implied dedication involved with this project.

Staff Recommendation: Authorize site selection.

CONSENT ITEMS

CONSENT ITEM—4

JUDICIAL COUNCIL OF CALIFORNIA (0250)
ADMINISTRATIVE OFFICE OF THE COURTS
NEW SOUTHEAST LOS ANGELES COURTHOUSE (CASA GONZALES SITE)
LOS ANGELES COUNTY
AOC Facility Number 19-BC1, DGS Parcel Number 10694

Authority: Sections 70371.5 and 70371.7 of the Government Code
Chapter 1, Statutes of 2009, Third Extraordinary Session, as amended by
Chapter 1, Statutes of 2009, Fourth Extraordinary Session, Item 0250-301-3138(4)

Consider authorizing site selection

CONSENT ITEMS

STAFF ANALYSIS ITEM—4

Judicial Council of California
Administrative Office of the Courts
New Southeast Los Angeles Courthouse (Casa Gonzales Site)
Los Angeles County

Action Requested

If approved, the requested action would authorize site selection.

Scope Description

This project is within scope. The requested action would authorize site selection for the construction of a new 9-courtroom, 90,000 square foot facility with associated improvements in Los Angeles County. This project is for use by the Superior Court of California for judicial, administrative, and related purposes and will include secure parking for judicial officers and staff, as well as surface parking. The Casa Gonzales site is approximately 5.9 acres of privately-owned developed land located in the City of South Gate, approximately 12 miles east of Los Angeles airport and approximately 8 miles south of downtown Los Angeles.

Funding and Cost Verification

This project is within cost. Chapter 1, Statutes of 2009, Third Extraordinary Session, as amended by Chapter 1, Statutes of 2009, Fourth Extraordinary Session, Item 0250-301-3138(4) provides $22,726,000 for land acquisition. This property can be acquired with the funds available and in accordance with Legislative intent.

CEQA

Subsequent to the site selection process and in accordance with the California Environmental Quality Act (Public Resources Code section 21000-21177) and pursuant to section 15063 of Title 14 of the California Code of Regulations, the Judicial Council of California, acting in the capacity of Lead Agency, will undertake the preparation of an Initial Study to determine if the proposed project would have a significant environmental impact. This will be submitted with a future site acquisition application for the selected site.

Condition of Property

In December 2010, Department of General Services (DGS) staff visited the Casa Gonzales site. A Phase I Environmental Site Assessment (ESA) was prepared in August 2010, in accordance with the American Society of Testing and Materials. This assessment revealed recognized environmental conditions in connection with the Casa Gonzales site. The Phase I ESA recommends a subsurface investigation be conducted at the Casa Gonzales site to evaluate potential subsurface release from clarifiers and floor drains; former below-grade hydraulic lifts; staining associated with storage of vehicle maintenance fluids; and an adjacent gas station site identified in the leaking underground storage tank listing. Because of the age of the building, the report recommended that surveys be conducted for lead based paint and asbestos containing materials prior to renovation or destruction of the building. In addition, no records were found regarding removal of former underground storage tanks. The Phase I ESA and site visit did not reveal other recognized environmental conditions. Pursuant to the Phase I ESA recommendation, DGS agrees that a subsurface investigation should be conducted prior to site acquisition.

Project Schedule

Estimated close of escrow	July 2011
Approve preliminary plans	May 2012
Complete working drawings	March 2013
Start construction	July 2013
Complete construction	January 2015

Other

- The Casa Gonzales site meets the Judicial Council's size, location, and compatibility requirements.
- The Casa Gonzales site is a vacant auto dealership. Disposition of the site improvements will be determined during acquisition phase.
- The Casa Gonzales site is situated within a Redevelopment Project Area. If the proposed project proceeds to the acquisition stage, a Memorandum of Understanding will be entered into with the City Redevelopment Agency wherein the City Redevelopment Agency waives any restriction and control rights it may have under its current or future redevelopment plan.
- The purchase price shall not exceed the estimated fair market value as indicated in a DGS approved appraisal report.
- There is no historic, relocation assistance, or implied dedication issues associated with this project.

Staff Recommendation: Authorize site selection.

CONSENT ITEMS

CONSENT ITEM—5

JUDICIAL COUNCIL OF CALIFORNIA (0250)
ADMINISTRATIVE OFFICE OF THE COURTS
NEW LAKEPORT COURTHOUSE
LAKE COUNTY
AOC Facility Number 17-F1, DGS Parcel Number 10637

Authority: Sections 70371.5 and 70371.7 of the Government Code
Chapter 1, Statutes of 2009, Third Extraordinary Session, as amended by
Chapter 1, Statutes of 2009, Fourth Extraordinary Session, Item 0250-301-3138 (3)

Consider authorizing acquisition

CONSENT ITEMS

STAFF ANALYSIS ITEM—5

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

Action Requested

If approved, the requested action would authorize acquisition.

Scope Description

This project is within scope. This request will authorize the purchase of approximately 5.7 acres of vacant real property in the city of Lakeport, Lake County to construct a new 4-courtroom, 50,200 square foot facility with secure parking for judicial officers and staff and surface parking. The project will replace a functionally and physically deficient facility, and will address security and overcrowding issues currently facing the court. The proposed site is located on Lakeport Boulevard, West of South Main Street in downtown Lakeport in an area designated for commercial development. Several public offices are situated in proximity to the proposed site and the main highway nearby provides easy access to the future courthouse.

Funding and Cost Verification

This project is within cost. Chapter 1, Statutes of 2009, Third Extraordinary Session, as amended by Chapter 1, Statutes of 2009, Fourth Extraordinary Session, Item 0250-301-3138(3) provides $2,610,000 for land acquisition. This property can be acquired with the funds available and in accordance with Legislative intent.

CEQA

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

Project Schedule

Estimated close of escrow	February 2011
Approve preliminary plans	August 2011
Complete working drawing	June 2012
Start construction	October 2012
Complete construction	June 2014

Condition of Property

In January 2010, staff from Department of General Services (DGS) conducted a visit to the proposed site which is fenced with an access gate at the northeast corner. In the past, the proposed site was at least partially graded. The proposed site consists of a steep cut slope dropping down to a level "upper terrace" that covers most of the parcel. The terrace surface consists of some grasses, weeds, rocks and gravel. At the southern and eastern sides of the proposed site is a dirt access road. A drainage culvert and ditch with drop inlet is along the southeast portion and a drainage channel is also located on the north side of the proposed site.

A Phase 1 Environmental Site Assessment for this property was completed in December 2009. While the Phase 1 Environmental Site Assessment did not reveal any recognized environmental concerns, a Limited Soil Investigation was warranted due to the past historical use for grazing, agriculture and naturally occurring asbestos at the site. The Limited Soil Investigation was used to determine if organochlorine pesticides, lead, and arsenic were at levels harmful to the health and safety of workers should the site be developed. All of the detections, with the exception of arsenic, were lower than human health and hazardous screening levels.

Trace levels of arsenic were found in the samples with the highest concentration in the sample collected from the northwest quadrant of the property's upper terrace, meaning that soils closer to the serpentine bedrock may contain a higher percentage of asbestos. Because of these concerns, it is recommended that mitigation during development activities properly manage and avoid the release of asbestos fibers. No further studies appear warranted at this time.

Other:

- The transfer of responsibility from Lake County to the state occurred on August 5, 2008.
- The Board approved this project for site selection on March 15, 2010.
- The proposed site is vacant and undeveloped.
- The proposed site meets the Judicial Council's size, location, and compatibility requirements.
- The purchase price does not exceed estimated fair market value as determined by a DGS approved appraisal.

- The Agreement does not include the state's standard environmental indemnification language; the parties will rely upon environmental law to address any prospective future problem (none are anticipated). Based upon the DGS site visit to the property, and a review of the Phase I and Limited Soil Investigation, it appears that the only environmental conditions that would pose a potential risk is the ambient asbestos that will be mitigated during construction.
- The Property Acquisition Agreement will require delivery of title to the proposed site free and clear of any mortgages or liens.
- The proposed site is situated within the Lakeport Redevelopment Agency Plan (Lakeport RDA) area. The Lakeport RDA and the Judicial Council executed a Memorandum of Understanding wherein the Lakeport RDA agrees that it will waive any and all rights they may have under the redevelopment plan or any other applicable document to restrict or control the Judicial Council's development or use of the proposed site.
- There are no historical issues, relocation assistance or implied dedication associated with this project.

Staff Recommendation: Authorize acquisition.

CONSENT ITEMS

CONSENT ITEM—6

JUDICIAL COUNCIL OF CALIFORNIA (0250)
ADMINISTRATIVE OFFICE OF THE COURTS
NEW INDIO JUVENILE AND FAMILY COURTHOUSE
RIVERSIDE COUNTY
AOC Facility Number 33-C5, DGS Parcel Number 10627

Authority: Sections 70371.5 and 70371.7 of the Government Code
Chapter 1, Statutes of 2009, Third Extraordinary Session, as amended by
Chapter 1, Statutes of 2009, Fourth Extraordinary Session, Item 0250-301-3138(6)

Consider authorizing acquisition

CONSENT ITEMS

STAFF ANALYSIS ITEM—6

Judicial Council of California
Administrative Office of the Courts
New Indio Juvenile and Family Courthouse
Riverside County

Action Requested

If approved, the requested action would authorize acquisition.

Scope Description

This project is within scope. This requested action would authorize acquisition of approximately 4 acres for the construction of a new 5-courtroom, 68,000 square foot facility with associated improvements for use by the Superior Court of California (Court) for judicial, administrative, and related purposes. The project will provide surface parking and secure parking for judicial officers and staff. This county-owned site is presently improved with the existing courthouse facility which will be demolished after construction of the new courthouse. The property is bounded on the north and west by Juvenile Hall and on the south by County health department and probation offices.

The site is approximately 0.8 mile from Larson Justice Center and approximately 2.7 miles from the Interstate Route 10 interchange. The current building (15,303 square feet) is used for office space with two court rooms for juvenile offenders. The Administrative Office of the Courts plans to demolish the existing building and construct a new court building on the existing juvenile hall yard area with remaining areas to be used for parking and landscaping.

Funding and Cost Verification

This project is within cost. Chapter 1, Statutes of 2009, Third Extraordinary Session, as amended by Chapter 1, Statutes of 2009, Fourth Extraordinary Session, Item 0250-301-3138(6) provides $4,419,000 for land acquisition. This property can be acquired with the funds available and in accordance with legislative intent.

CEQA

A Notice of Exemption was filed with the State Clearinghouse on December 28, 2009, and the statutes of limitation expired on February 1, 2010, without a challenge.

Project Schedule

Estimated close of escrow	February 2010
Approve preliminary plans	November 2011
Complete working drawings	January 2013
Start construction	April 2013
Complete construction	October 2014

Condition of Property

On January 5, 2010, the Department of General Services (DGS) staff conducted a site visit to assess the general condition of the subject property. A Phase I Environmental Site Assessment (ESA) was completed in accordance with the American Society for Testing and Materials Standard Practice for Environmental Site Assessments in December 2009. The Phase I ESA reports no on-site recognized environmental conditions with the exception of potential soil residue from past agricultural use. Prior to 1980, the land was used for row crops. The ESA noted that the soil may contain residuals of pesticides and fertilizers.

Pursuant to the Phase I findings identified above, a Limited Phase II Subsurface Investigation was completed in July 2010, to further evaluate the presence, types, and concentration levels of agricultural chemicals at the site relative to the historic agricultural use of the land. The soil analysis results indicate no significant concentrations of suspected findings. The results were either not detected or did not exceed health and safety levels. Based on the results of the investigation, no soils will need to be disposed in a classified landfill. DGS staff determined that no further investigation is warranted.

Additionally, due to the age of the building, asbestos containing materials and lead-based paint are suspected. The asbestos and the lead based paint do not pose an immediate threat to the occupants. As these materials are regulated by local, state, and federal agencies, and the material will be removed, handled, and disposed of in conformance with such rules and regulations that protect the general public from exposure.

Other

- The proposed site meets the Judicial Council's size, location, and compatibility requirements.
- Transfer of Responsibility for the existing courthouse occurred on December 16, 2008.
- Site selection was authorized by the Board on February 16, 2010.

- The acquisition price shall not exceed the estimated fair market value as indicated in a DGS approved appraisal report. A portion of the acquisition price includes the purchase of the County's 58.2 percent equity interest in the property.
- The property was encumbered by certain bond indebtedness which was moved from the subject property to a substitute property by an Amendment to Lease Agreement recorded in March 2010. The subject property will be delivered to the state free of liens, mortgages, or other indebtedness.
- The Property Acquisition Agreement includes the state's standard indemnification language excluding, however, prior owners or operators. DGS review of the Phase I and Phase II ESAs identify no environmental conditions that would present exceptional risk to the state. Further, the lack of the full state indemnification language does not relieve the grantor of liability under existing law.
- There are no historic issues, implied dedication, or no relocation assistance associated with this project.

Staff Recommendation: Authorize acquisition.

CONSENT ITEMS

CONSENT ITEM—7

DEPARTMENT OF CORRECTIONS AND REHABILITATION (5225)
CALIFORNIA HEALTH CARE FACILITY
INFILL PROJECT
SAN JOAQUIN COUNTY

Authority: Sections 15819.40(a) and (d) and 15819.401 – 15819.404 of the Government Code

Consider approving performance criteria and concept drawings for Design-Build Phase II—Secure Facilities

CONSENT ITEMS

STAFF ANALYSIS ITEM—7

Department of Corrections and Rehabilitation
California Health Care Facility, Infill Project
San Joaquin County

Action Requested

If approved, the requested action would approve performance criteria and concept drawings for Design-Build Phase II.

Scope Description

This project is within scope. This project will design and construct an approximately 1.1 million square feet, fully autonomous facility for adult male inmate-patient with serious or chronic medical and mental health needs. The facility's mission is to safely and securely house inmate-patient of all security levels while providing rehabilitation programming for each inmate, including opportunities for both medical and mental health rehabilitation and traditional rehabilitative programming. The rehabilitative programming will include vocational and academic programs, substance abuse treatment, and other appropriate offender programs. The California Health Care Facility (CHCF) will include inmate housing, health care services, rehabilitation programs, support services, inmate visiting, and facility administration.

Inmate housing will include space for a total of 1,722 inmates, including 337 Medical-High Acuity, 673 Medical-Low Acuity, 432 Mental Health-Intermediate Care Facility-High Custody, 43 Mental Health-Acute Psychiatric, 137 Mental Health Crisis Bed, and 100 permanent work crew inmates. Other site improvements will include the construction of perimeter guard towers, a lethal security fence system, support buildings, roads, additional parking, site grading and lighting improvements, and improvements to the prison's existing electrical supply and distribution, sewer line, natural gas, and telecommunications systems.

The project will be completed in four phases of work, and the Board has previously approved the following:

- On September 20, 2010, the Board approved the preliminary plans associated with the scope of work necessary to complete Phase I of site cleanup. The scope of this work includes general clean up, clearing trees, removing fencing and light poles, disconnecting utilities, and removing the facility's retention basin.
- On December 13, 2010, the Board approved the preliminary plans associated with the scope of work necessary to complete Phase II of site cleanup. The second and final phase of site cleanup consists of hazardous materials abatement, demolition of the existing Karl Holton Youth Correctional Facility (Karl Holton Facility), and site readiness preparations. All hazardous materials, including asbestos and lead containing materials, will be removed from the existing buildings and then the buildings and underground utilities will be demolished. The contractor will divert recyclable materials from landfill disposition as feasible and concrete from the demolition will be crushed and stockpiled as aggregate to be used in later phases of the CHCF construction. Site readiness preparations will include erection of temporary fencing; fitting slats into the fencing between the CHCF site and the adjacent, occupied Department of Juvenile Justice facility to prevent visual contact; clearing and grubbing the entire site; establishing construction entrances, access roads, and parking; installing an office trailer complex to accommodate the onsite CDCR and contractors construction management team; preparing construction lay-down areas; and providing temporary utilities.
- On December 13, 2010, the Board also approved the performance criteria and concept drawings associated with the scope of work necessary to complete Design-Build Phase I—Site Preparation and Non-Secure Facilities. Design-Build Phase I—Site Preparation and Non-Secure Facilities consist of site preparation and the design and construction of non-secure facilities. This scope of work includes design development; site grading; extension of public utility systems to the site; improvements to the site's utility systems; and construction of an access road, outside perimeter road, an entry gatehouse building, pedestrian walkways, staff and visitor parking, lighting, a security fence system with a lethal electrified fence and guard towers, vehicle sallyports, work-change facilities, an armory, a lock shop building, and a material services warehouses.

This action will approve the performance criteria and concept drawings associated with the fourth and final scope of work necessary to complete Design-Build Phase II—Secure Facilities, which consists of the design and construction of the inmate housing units, healthcare facilities, inmate visiting, rehabilitative programming, food service and other miscellaneous support facilities, lighting, hardscaping, landscaping, site utility distribution, and other improvements primarily within the secured area and required for the new CHCF facility.

Funding and Cost Verification

This project is within cost. On June 14, 2010, the Board took an action allocating $906,356,000 of the $1,800,000,000 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 design and construction for this project. The scope of work authorized by this action remains within cost and will be financed from this allocation.

$906,356,000	total authorized project cost
$906,356,000	total estimated project costs
$ 24,254,000	project costs previously allocated (site cleanup, design-bid-build): $912,000 preliminary plans, $801,000 working drawings, and $22,541,000 construction ($19,169,000 contract, $1,337,000 contingency, $880,000 A&E, and $1,155,000 other project costs)
$882,102,000	project costs previously allocated (design-build): $40,403,000 performance criteria and concept drawing, and $841,699,000 design/build ($706,396,000 contract, $35,320,000 contingency, $18,738,000 A&E, $24,550,000 other project costs, and $56,695,000 agency retained items)

CEQA

A Notice of Determination was filed with the State Clearinghouse on October 19, 2009. A legal challenge was raised before the statutes of limitation for this item expired on November 18, 2009. However, the challenge was resolved through a settlement agreement on June 11, 2010.

Real Estate Due Diligence

The Department of General Services completed a Summary of Conditions Letter for this project on June 3, 2010 and it is noted that no significant issues were identified.

Project Schedule

Approve preliminary plans	
Phase I site cleanup	September 2010
Phase II site cleanup	December 2010
Complete working drawings	
Phase I site cleanup	September 2010
Phase II site cleanup	December 2010
Approve performance criteria and concept drawings	
Design-Build Phase I	December 2010
Design-Build Phase II	January 2011
Start construction	
Phase I site cleanup	October 2010
Phase II site cleanup	March 2011
Design-Build Phase I	May 2011
Design-Build Phase II	June 2011
Complete construction	July 2013

Staff Recommendation: **Approve performance criteria and concept drawings for Design-Build Phase II.**

CONSENT ITEMS

CONSENT ITEM—8

DEPARTMENT OF CORRECTIONS AND REHABILITATION (5225)
SALINAS VALLEY STATE PRISON
FACILITY A GENERAL POPULATION/ENHANCED OUTPATIENT PROGRAM TREATMENT AND OFFICE SPACE
MONTEREY COUNTY

Authority: Sections 15819.40(c) and (d) and 15819.401 – 15819.404 of the Government Code

Consider:

a. **approving preliminary plans**
b. **recognizing revised project costs**

CONSENT ITEMS

STAFF ANALYSIS ITEM—8

Department of Corrections and Rehabilitation
Salinas Valley State Prison
Facility A General Population/Enhanced Outpatient Program Treatment and Office Space
Monterey County

Action Requested

If approved, the requested action would approve preliminary plans and recognize revised project costs.

Scope Description

This project is within scope. This project will design and construct a new two-story stand alone building, approximately 27,100 square feet (sf), adjacent to and between two housing units in Facility A at SVSP. This new mental health building will not include any new housing, but will provide adequate treatment and office space to support up to 300 GP/EOP inmates in existing housing units. In addition, this project includes a new staff parking lot for approximately 42 additional parking spaces to be located outside the secure perimeter east of the existing parking area and adjacent to the existing administration building. Consistent with the court-ordered activation schedule for this project, it is anticipated construction will begin in November 2011 and be completed in July 2013.

The first floor will be the secure inmate-patient treatment area, approximately 16,300 sf. This portion of the building will contain custody stations, one-on-one noncontact and contact interview rooms, group treatment rooms, recreation therapy rooms, classrooms, a conference room, an inmate-patient waiting area, storage space, inmate and staff restrooms, mechanical and electrical rooms, and a janitor's closet.

The second floor will be a staff only area that provides appropriate office and administrative space for program staff and clinicians, approximately 10,800 sf. This portion of the building will include private offices, shared offices, open office area with work stations, a conference room with a dividable partition, a file room, a copy/work room, storage space, a staff break room, staff restrooms, and a telecom/data communications room.

Funding and Cost Verification

This project is within cost. On April 12, 2010, the Board took an action allocating $28,857,000 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 design and construction for this project. A new project cost estimate was prepared in association with completion of preliminary plans. Based on this new estimate, the current total estimated project cost is $25,399,000, which is a $3,458,000 decrease.

$28,857,000	total authorized project cost
$25,399,000	total estimated project cost
$28,857,000	project costs previously allocated: $1,605,000 preliminary plans, $1,731,000 working drawings, and $25,521,000 construction ($19,130,000 contract, $957,000 contingency, $1,131,000 A&E, $1,530,000 other project costs, and $2,773,000 agency retained items)
$ 3,458,000	project savings: $257,000 working drawings and $3,201,000 construction ($3,456,000 contract, $173,000 contingency, $4,000 A&E, $4,000 other project costs, and $420,000 agency retained items)

CEQA

A Notice of Determination was filed with the State Clearinghouse on November 8, 2010, and the statutes of limitation period expired on December 8, 2010, without challenge.

Real Estate Due Diligence

The Department of General Services completed a Summary of Conditions Letter for this project on September 30, 2010, and it is noted that no significant issues were identified.

Project Schedule

Approve preliminary plans	January 2011
Approve working drawings	August 2011
Start construction	November 2011
Complete construction	July 2013

Staff Recommendation: Approve preliminary plans and recognize revised project costs.

CONSENT ITEMS

CONSENT ITEM—9

CALIFORNIA STATE UNIVERSITY (6610)
SAN DIEGO STATE CAMPUS
TELECOMMUNICATION INFRASTRUCTURE
SAN DIEGO COUNTY

Authority: Chapter 162, Statutes of 1996, Item 6610-301-0658(23)
Chapter 106, Statutes of 2001, Item 6610-301-0574(12)
Chapter 379, Statutes of 2002, Item 6610-301-6028(8),
as reappropriated by the Budget Act of 2003

Consider approval of an augmentation **$1,100,000**
(9.2 percent total project)
(18.1 percent cumulative)

CONSENT ITEMS

STAFF ANALYSIS ITEM—9

California State University (6610)
San Diego State University
Telecommunications Infrastructure
San Diego County

Action requested

If approved, the requested action would approve an augmentation.

Scope Description

This project is within scope. This project provides upgrades to the critical infrastructure components of the telecommunications system and consists of underground inter-building pathways, point of connections into the buildings and the intra-building vertical and horizontal pathways. The project was completed in June 2008.

Funding and Cost Verification

This project is not within cost. The California State University is requesting approval of an augmentation of $1,100,000 (9.2 percent augmentation/ 18.1 percent cumulative). The requested augmentation will resolve a construction claim brought by the project telecommunication subconsultant, NetVersant. The augmentation is requested as partial payment for the construction claim settlement reached at a mediation hearing held on October 11, 2010. The total mediated settlement of $1,855,000 will be resolved by payments of $415,000 by the general contractor, $340,000 by San Diego State University and the requested augmentation payment of $1,100,000. This augmentation will settle the claim and avoid further legal costs.

On December 13, 2010, the Department of Finance notified the chairs of the Joint Legislative Budget, the Senate Appropriations, and the Assembly Appropriations Committees of its intent to recommend approval of an augmentation no sooner than 20 days after the date of the notification.

$13,064,000	total authorized project costs
$14,164,000	total estimated project costs
$13,064,000	project cost previously allocated: $445,000 preliminary plans, $300,000 working drawings, and $12,319,000 construction ($9,825,000 contract, $656,000 contingency, and $1,838,000 project administration).
$ 1,100,000	requested augmentation

CEQA

A Notice of Exemption was filed with the State Clearinghouse on February 7, 1996, and the thirty day statutes of limitation waiting period expired on March 10, 1996, without challenge.

Real Estate Due Diligence

California State University acknowledges that they have full responsibility for reviewing and clearing due diligence issues for general obligation bond funded projects.

Project Schedule

Approve preliminary plans	March 1997
Complete working drawings	September 2004
Start construction	January 2005
Complete construction	June 2008

Staff Recommendation: Approve augmentation

CONSENT ITEMS

CONSENT ITEM—10

CALIFORNIA COMMUNITY COLLEGES (6870)
RIVERSIDE COMMUNITY COLLEGE DISTRICT, MORENO VALLEY COLLEGE, PHASE III STUDENT ACADEMIC SERVICES
RIVERSIDE COUNTY

Authority: Chapter 1, Statutes of 2009, Third Extraordinary Session, Item 6870-301-6049 (11), as reappropriated by the Budget Act of 2010

Consider approving preliminary plans

CONSENT ITEMS

STAFF ANALYSIS ITEM—10

California Community Colleges
Riverside Community College District, Moreno Valley College
Phase III Student Academic Services,
Riverside County

Action Requested

If approved, the requested action would approve preliminary plans.

Scope Description

This project is within scope. This project is to construct a 3-story instructional building to house general classrooms, offices, library, study space, an instructional media center, video conferencing rooms, observatory, and multi-purpose room. The student services building will provide a total of 23,518 assignable square feet (asf), 7,201 asf lecture, 4,809 asf office and administrative support, 3,300 asf library, 1,304 asf Audio Visual / Television space; and 6,904 asf other space.

Funding and Project Cost Verification

This project is within cost. Preliminary plans and working drawings were appropriated in the Budget Act of 2009.

$19,399,000	total estimated project costs
$19,399,000	total authorized project costs
$ 199,000	state funds previously allocated: preliminary plans
$ 541,000	local funds previously allocated: preliminary plans.
$14,902,000	state funds to be allocated: $238,000 working drawings, $14,010,000 construction ($12,400,000 contracts, $769,000 contingency, and $841,000 project administration), and $654,000 equipment.
$ 3,757,000	local funds to be allocated: $692,000 working drawings, $2,983,000 construction (contracts), and $82,000 equipment.

CEQA

A Negative Declaration was filed with the State Clearinghouse on October 25, 2010, and the 30-day statutes of limitation period expired on November 23, 2010, without challenge.

Real Estate Due Diligence

Community college districts have full responsibility for clearing due diligence issues for general obligation bond projects.

Project Schedule

Approve preliminary plans	January 2011
Complete working drawings	January 2012
Start construction	March 2012
Complete construction	July 2013

Staff Recommendation: Approve preliminary plans

ACTION ITEMS

ACTION ITEM—1

JUDICIAL COUNCIL OF CALIFORNIA (0250)
ADMINISTRATIVE OFFICE OF THE COURTS
NEW SOUTH MONTEREY COUNTY COURTHOUSE
MONTEREY COUNTY
AOC Facility Number 27-F1, DGS Parcel Number 10645

Authority: Chapter 311, Statutes of 2008
Chapter 1, Statutes of 2009, Third Extraordinary Session, as amended by,
Chapter 1, Statutes of 2009, Fourth Extraordinary Session Item 0250-301-3138(5)

Consider authorizing acceptance of a no-cost acquisition contingent upon the Greenfield Redevelopment Agency (Greenfield RDA) satisfactorily completing the tasks listed below and direct the Administrative Office of the Courts to return to the Public Works Board to certify that all work has been completed and is acceptable prior to final approval of all agreements, resolutions, and other ancillary acquisition documents.

The conditions precedent to final acquisition approval include, but are not limited to:

(1) Acquisition of the parcel by the Greenfield RDA;
(2) Completion of any and all applicable occupant relocation assistance; and
(3) Demolition and removal of existing improvements in accordance with current and applicable law.

ACTION ITEMS

STAFF ANALYSIS ITEM—1

Judicial Council of California
Administrative Office of the Courts
New South Monterey County Courthouse

Action Requested

If approved, the requested action would authorize the contingent acceptance of a no-cost acquisition and require the Administrative Office of the Courts (AOC) to return to the Board to seek final authorization to acquire.

Scope Description

This project is within scope. The requested action would authorize the acceptance approximately 3.5 acres of land from the Greenfield Redevelopment Agency (RDA) to construct a new 3-courtroom, 47,000 square foot facility with secure parking for judicial officers and staff and surface parking located on El Camino Real between Cherry Avenue and Pine Avenue in the city of Greenfield, Monterey County. Upon the conditional approval of site acquisition from the Board, the Greenfield RDA will purchase the proposed site from the current owner and donate the proposed site to the State of California for the development of the future courthouse and associated parking. The proposed site is presently improved with a residential home which will be vacated and demolished by the Greenfield RDA prior to close of escrow.

Funding and Cost Verification

This project is within cost. Chapter 311, Statutes of 2008, and Chapter 1, Statutes of 2009, Third Extraordinary Session, as amended by, Chapter 1, Statutes of 2009, Fourth Extraordinary Session Item 0250-301-3138 (5) provide $686,000 for land acquisition. This property can be acquired with the funds available and in accordance with legislative intent.

CEQA

A Notice of Exemption was filed with the State Clearinghouse on April 12, 2010, and the statutes of limitation period expired on May 17, 2010, without a challenge.

Project Schedule

Estimated close of escrow	March 2011
Approve preliminary plans	August 2011
Complete working drawings	June 2012
Start construction	October 2012
Complete construction	June 2014

Condition of Property

In March 2010, the Department of General Services (DGS) staff conducted a site visit to assess the general condition of the proposed site. The structures on the proposed site include a 2-story residence located on Cherry Avenue, with an adjacent storage shed. A tenant currently occupies the residence renting on a month-to-month basis. A conversation with the site manager indicated that the tenant is aware of the potential site acquisition and would be relocated within the City of Greenfield before acquisition. The residence contains furnishings and household effects. The shed contained 23 one-gallon containers of enamel paint and four pint size containers of wood toner. No staining or spillage was observed. The AOC indicates the structures would be demolished. Electricity, natural gas and municipal sewer utilities are available in the site vicinity. Potable water is provided to the site by a domestic well.

A Phase I Environmental Site Assessment (ESA) was completed in January 2010, to report any recognized environmental conditions. The report did not identify any recognized environmental conditions or significant data gaps encountered in the preparation of the Phase I ESA. However, the report includes two items of concern:

- Based on the date of residence construction (1928), building material may contain asbestos and lead-based paint and recommended full asbestos and lead-based paint survey conducted before demolition or renovation activities.
- Based on historical use of the site for agricultural/cattle grazing purposes, pesticides and chlorinated insecticides, such as toxaphene, were potentially used on the site and recommended shallow soil samples should be collected in areas where historical agricultural practices and cattle grazing occurred and analyzed for pesticides and chlorinated insecticides.

DGS recommends appropriate removal/disposal of the contents in the residence and shed in accordance with current law. Furthermore, the domestic well should be properly abandoned in accordance with current law.

A Phase ll ESA was completed in May 2010. The Phase ll ESA showed relatively low analytical values for pesticides and chlorinated insecticides in all soil samples. The reported values were below soil screening levels for protection of human health and for hazardous material classification. While the noted arsenic concentration levels were also below hazardous waste classification (i.e., actionable levels), it exceeded residential and industrial screening levels. The Phase II ESA recommends that during the time of site development (i.e., earthmoving activities) that dust control measures be implemented to minimize exposure to construction workers at the site.

Other

- Title to the proposed site is currently held under private ownership. The Greenfield RDA is currently in contract/escrow with the current owner to acquire the proposed site.
- The proposed site will be donated to the state by the Greenfield RDA.
- The proposed site meets the Judicial Council's size, location, and compatibility requirements.
- The proposed site is situated within the Greenfield RDA Plan area. The Greenfield RDA and the Judicial Council executed a Memorandum of Understanding wherein the Greenfield RDA agrees that it will waive any and all rights they may have under the redevelopment plan or any other applicable document to restrict or control the Judicial Council's development or use of the proposed site.
- The proposed site is improved with a residential building which will be demolished and occupants relocated by the Greenfield RDA prior to transfer of title to the state.
- Greenfield RDA shall cause the demolition and removal of all improvements and utilities, including but not limited to the residential structure and its associated structures, that exist on the proposed site before coming back to the Board for final acquisition approval. All debris resulting from the demolition is to be removed from the proposed site, such that prior to the close of escrow, the proposed site is free and clear of all improvements, debris, and with only any trees, shrubs and other vegetation remaining. Demolition must be performed in accordance with all applicable laws. The Greenfield RDA must remove and relocate the above-ground concrete Clark Colony irrigation pipeline within the Cherry Avenue right-of-way prior to the commencement of construction of the courthouse.
- There are no implied dedications involved with this project.

Staff Recommendation: **Approve acceptance of a no-cost acquisition contingent upon the Greenfield (RDA) satisfactorily completing the tasks listed below and direct the Administrative Office of the Courts to return to the Board to certify that all work has been completed and is acceptable prior to final approval of all agreements, resolutions and other ancillary acquisition documents.**

The conditions precedent to final acquisition approval include, but are not limited to:

(1) Acquisition of the parcel by the RDA;
(2) Completion of any and all applicable occupant relocation assistance; and
(3) Demolition and removal of existing improvements in accordance with current and applicable law.

ACTION ITEMS

ACTION ITEM—2

DEPARTMENT OF PARKS AND RECREATION (3790)
BIG BASIN REDWOODS STATE PARK, LITTLE BASIN
SANTA CRUZ COUNTY
DPR Parcel No.14766, DGS Parcel No. 10581

Authority: Chapter 379, Statutes of 2002, Item 3790-301-6029(3), as reappropriated by the Budget Acts of 2005 and 2008
Chapter 157, Statutes of 2003, Item 3790-301-6029(10), as reappropriated by the Budget Acts of 2006 and 2009
Chapters 171 and 172, Statutes of 2007, 3790-301-6051(3.7)
Section 5080.20 of the Public Resources Code

Consider:

a. **approving a concession contract after making the following findings and determinations:**
   1. **The concession contract or amendments to an existing concession contract could not have been submitted to the Legislature for review and approval in the course of its consideration of the 2010-11 Budget Bill.**
   2. **It would be adverse to the interests of the public to defer action on the concession contract until the Legislature considers the 2011-12 Budget Bill.**
b. **authorizing acquisition**

ACTION ITEMS

STAFF ANALYSIS ITEM—2

Department of Parks and Recreation
Big Basin Redwoods State Park, Little Basin
Santa Cruz County

Action Requested

If approved, the requested action would approve a concession contract, after finding and determining that (1) the concession contract could not have been submitted to the Legislature for review and approval in the course of its consideration of the 2010-11 Budget Bill and (2) it would be adverse to the interests of the public to defer action on the concession contract until the Legislature considers the 2011-12 Budget Bill, and authorize acquisition.

Scope Description

This project is within scope. This request will authorize the Department of Parks and Recreation (Parks) to acquire approximately 535 acres of land located in Santa Cruz County, about 30 miles southwest of San Jose. The subject property is surrounded on three sides by Big Basin Redwoods State Park. The subject property includes group camping facilities consisting of 14 cabins, 36 tent

sites, public restrooms and showers, and various support facilities and recreational amenities.

Property acquisition would meet several of Parks' mission elements to provide the public with expanded recreation and interpretive opportunities, as well as habitat and watershed protection at Big Basin Redwoods State Park. This project also includes the assumption by Parks of an existing concession contract between POST (Peninsula Open Space Trust) and Sempervirens (collectively referenced herein as the "Seller"), both non-profit organizations, and a third-party concessionaire, United Camp Conferences and Retreats (UCCR), a non-profit organization.

Public Resources Code section 5080.20 authorizes the Board to approve certain concession contracts in lieu of the Legislature when it is determined that the concession contract could not have been reviewed and approved by the Legislature during the annual budget process and waiting until the subsequent budget period would not be in the state's best interest. A more detailed discussion of these requirements is provided below.

A 20-day letter was sent to the Legislature on November 24, 2010. However, this item was subsequently pulled from the December 13, 2010 Board meeting to give staff more time to resolve several open issues. Because the Joint Legislative Budget Committee (JLBC) also had several questions related to the concessions contract, the JLBC's review period was extended. Board staff have since provided the JLBC with the requested information and have confirmed that the JLBC does not have any concerns with this item.

Funding and Cost Verification

This project is within cost. The Budget Acts of 2002, 2003, and 2007, all provide funding for property acquisitions, including associated overhead, without identifying particular parcels, in accordance with Legislative intent. The negotiated purchase price of $6.5 million is below the appraised value of the property, as approved by the Department of General Services (DGS).

$6,545,000	total authorized project costs
$6,545,000	total estimated project costs
$ 45,000	project costs previously allocated (title, escrow, and staff costs)
$6,500,000	project costs to be allocated: acquisition

CEQA

A Notice of Exemption was filed with the State Clearinghouse on July 14, 2008, and the 35-day statutes of limitation expired on August 17, 2008, without challenge.

Project Schedule

The anticipated close of escrow is February 2011.

Condition of Property

On August 13, 2009, DGS staff conducted a site survey of the subject property. The property is approximately 535 acres of forested land, of which approximately 71 acres is improved with a campground that includes a total of 54 campsites (both tents and cabins), restroom facilities, and associated support and recreational facilities.

The topography of the site varies from steeply sloped to flat and contains old- and second-growth coastal redwoods. A low earthen impound dam and associated pond is located on the northwest edge of the site campgrounds. The dam, with a roadway at its base, is more than 50 years old and has deteriorated over time, with both the dam face and roadway showing signs of wear and erosion. In May 2010, the geotechnical engineer published an Addendum Analysis to its January 2009 Geotechnical Investigation Report, analyzing Park's strategy to mitigate potential hazards associated with dam failure. In the engineer's opinion, the flooding hazard associated with the dam failure can be minimized by draining the dam and returning flow to Scott Creek.

A Phase I Environmental Site Assessment was completed in April 2007. No conditions were found that would indicate release or threatened release of hazardous substances on the property. The Phase I confirmed no presence of asbestos-containing materials based on visual inspection and bulk sampling, and that the concentration levels of paint chip samples from the water storage tanks were below California Department of Health Services' definition of lead-based paint contamination. However, the Phase I identified a Recognized Environmental Condition (REC) based on historic land use of the property. The Phase I reported information gaps regarding hazardous and petroleum substance use, handling and disposal associated with the past activity of refurbishing military vehicle and equipment, and with the removal and disposal of the above ground fuel storage tanks (ASTs).

The Phase II investigation completed in November 2009 included soil-sampling analyses of the military vehicle refurbishing area and under the former ASTs. The Phase II report indicated no further action was required because constituents detected from both areas were below thresholds for applicable regulatory action. A copy of the Hazardous Waste Manifest documents the disposal of the ASTs. The Santa Cruz County Environmental Health Services concurred with the investigation's conclusion and recommendation of no further action required.

Significant Issues

Concession Agreement—This acquisition is unusual because the terms of the Property Acquisition Agreement (PAA) will require Parks to assume an existing concession agreement upon close of escrow, originally entered into by the Seller and UCCR, for the operation and maintenance of the Little Basin camping facility (Facility). The agreement was crafted with input and guidance from Parks with the intention that Parks would assume the agreement upon acquisition of the property in order to maintain the continuity of public access and minimize Parks' maintenance costs during the transition.

Final negotiations of the concession agreement were not finalized until after the enactment of the 2010-11 Budget Act and could not have been reviewed and approved by the Legislature during the previous budget cycle. Furthermore, Parks has demonstrated that waiting for the next budget cycle, would delay the start of the concession bid process until July 1, 2011, at the earliest. Following legislative approval, Parks would then be authorized to initiate the bid process, which would likely take up to 6 months or more to complete. Thus, waiting for the standard approval process would unnecessarily delay public access to this facility until the spring of 2012 or later and would also increase Parks' operation costs, as Parks would be responsible for all security and maintenance costs until such time a concession contract could be put in place. Therefore, based on the circumstances noted above, the requirements of Public Resources Code section 8040.20 appear to have been met.

It should be noted that the development, negotiation, and approval process for this concession agreement was not typical for this type of agreement because it was initially entered into by two non-state parties. However, Parks has provided a detailed analysis that supports Park's assertion that the procedures followed by the Seller, while not identical to those of the state, were substantially the same as the state's process. Some notable comparisons are provided below:

- The handling of the Request for Proposal (RFP) process was managed by the Seller in cooperation with Parks to ensure that the terms of the concession agreement and the RFP process met the state's needs and requirements.
- The RFP process used to select UCCR by the Seller was fair, transparent, and resulted in an "arms-length" selection process.
- The concession agreement provides UCCR the right to collect camping and facility use fees. In exchange, UCCR will provide campground management services, including site maintenance, management of water treatment and distribution systems, and campground security, as well as the day-to-day operations necessary for running the Facility. The term of the proposed concession agreement will run for seven years, so as to coincide its expiration with that of the already-existing concession agreement in Big Basin Redwoods State Park.

Infrastructure Deficiencies— Parks is already under severe pressure to maintain existing park facilities and has a large unfunded deferred maintenance backlog estimated to be in excess of $1 billion. Adding additional lands and facilities to Parks' inventory should be pursued with caution and full disclosure. According to Parks' estimates, approximately $810,000 in accessibility upgrades will be necessary for compliance of this Facility with the Americans with Disabilities Act (ADA). Upon acquisition of Little Basin, the necessary ADA improvements would need to be amended into Park's list of bond-approved projects and ADA workplan, with allocations for the necessary upgrades to be made from existing general obligation bond fund allocations. Pursuant to the Tucker Consent Decree concerning ADA accessibility requirements, the Disability Rights Advocates have been informed of the time extension needed to make such ADA improvements and have agreed to the time frame necessary for accomplishing these improvements. However, because Parks has a limited amount of general obligation bond funds allocated to address ADA issues statewide, it will be necessary for Parks to prioritize existing ADA projects, likely resulting in ADA project reductions elsewhere in the State Park System.

The existing potable water and septic systems need to be improved before the Facility can become fully operational. The PAA requires the Seller to improve the water and septic systems in compliance with CEQA and allows for the hold-back of $450,000 from the escrow account until these repairs have been completed, as verified by Parks. The hold-back amount was determined by Parks' civil engineering staff and should be sufficient to allow Parks to accomplish the work to the water and septic systems if the Seller does not perform on these items. However, Parks would be required to absorb any cost overrun within its existing budget.

The reservoir dam on the property leaks and is in generally poor condition. A geotechnical engineering report estimated the cost of two options: (1) dam breach at $500,000 and (2) repair at $2 million. Both options would significantly reduce the risk of dam failure, however, because Parks does not have the resources for either of these options, Parks' intends to lower the water level of the reservoir to a point that would make the dam safe for park visitors. The reservoir is fenced off, with no visitor access. While none of these options would completely eliminate the risks associated with dam failure, Parks is confident that lowering the water level coupled with minor park operational changes would sufficiently mitigate these risks.

This facility has a number of other well-documented infrastructure deficiencies that will require additional investments by the state and/or UCCR, including, but not limited to, cabin repairs and upgrades, kitchen facility improvements, and access road improvements. Because Parks does not have the resources necessary to make these additional investments at this time, the Seller has agreed to pre-fund a number of these projects through an endowment fund, as described in greater detail below. While UCCR will be required to maintain and operate the facility during the term of the concession contract, Parks will be responsible for these costs thereafter.

Little Basin Stewardship Fund—Parks and the Seller have entered into a Memorandum of Understanding for the establishment and use of an endowment fund, to be held by the Seller, dedicated for the improvement and operation of the property, upon acquisition by the state. The Seller has agreed to deposit approximately $1.2 million in this endowment to fund a list of pre-approved projects, as noted above, with the remaining balance available for other projects qualified projects, subject to approval by the Seller, Parks, and UCCR. Although the endowment fund will address a significant portion of the facility's immediate infrastructure needs, additional investments will be needed over time, either by Parks, UCCR, or future concessionaires.

Other:

- Parks can provide patrol with existing staff to the property. The property will be under the control of UCCR who will be responsible for all maintenance and management of the improved facilities on behalf of Parks. Law enforcement support will be provided by Parks' rangers and/or local law enforcement.
- Any changes to public access, use, development, resources or habitat protection will be addressed through the normal budget process.
- There is no pending litigation or implied dedication applicable to this property;
- The property will be under the control of UCCR prior to the close of escrow, however, UCCR will not be eligible for relocation assistance due to lack of tenure. The property will be under the control of UCCR prior to the close of escrow, however, since the State does not intend to displace UCCR pursuant to the assumption of the concession agreement, relocation assistance costs are not anticipated.
- The purchase price shall not exceed estimated fair market value as determined by a DGS approved appraisal.
- The PAA will require delivery of title to the property free and clear of any mortgages or liens.
- The PAA does not include the state's standard indemnification language, potentially exposing the state to additional liabilities. However, it should be noted that the lack of indemnification language does not relieve the Seller of any liability under existing law.

Staff Recommendation: **Approve concession contract, after finding and determining that (1) the concession contract could not have been submitted to the Legislature for review and approval in the course of its consideration of the 2010-11 Budget Bill and (2) it would be adverse to the interests of the public to defer action on the concession contract until the Legislature considers the 2011-12 Budget Bill, and authorize acquisition.**

OTHER BUSINESS

NONE.

REPORTABLES

To be presented at the meeting.