



## AGENDA WITH ANALYSIS

### STATE PUBLIC WORKS BOARD

Friday, March 10, 2017, at 10:00 a.m.  
or upon adjournment of the Golden State Tobacco  
Securitization Corporation meeting,  
in Room 113, State Capitol, Sacramento, California

I.	Roll Call		
II.	Bond Items	Page	2
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Pursuant to section 11125 of the Government Code, notice of all Board meetings will be given at least ten days in advance and such notice must include a copy of the agenda. Members of the Public may address the Board prior to it taking action on any matter in the agenda.

This notice and the Board agenda for the current month are available on the Internet at: <http://www.spwb.ca.gov>.

Individuals who need disability-related accommodation, including auxiliary aids for effective participation at this public meeting are invited to make their requests and preferences known to Patrice Coleman at (916) 445-9694 or e-mail to [patrice.coleman@dof.ca.gov](mailto:patrice.coleman@dof.ca.gov), five days prior to the meeting.

## BOND ITEM

### BOND ITEM—1

**DEPARTMENT OF CORRECTIONS AND REHABILITATION (5225)  
2017 SERIES A, LEASE REVENUE BONDS  
VARIOUS CORRECTIONAL FACILITIES**

*Project:* **Kings Jail Expansion**  
*Location:* Kings County  
*Authority:* Sections 15820.91 - 15820.917 of the Government Code

*Project:* **San Luis Obispo Juvenile Hall**  
*Location:* San Luis Obispo County  
*Authority:* Sections 1970 - 1978 of the Welfare and Institutions Code

**Consider adoption of a resolution to:**

- 1. Authorize the sale of the State Public Works Board Lease Revenue Bonds, Department of Corrections and Rehabilitation, 2017 Series A, Various Correctional Facilities, Tax-Exempt Bonds.**
- 2. Approve the form of and authorize the execution of a Supplemental Indenture to the Master Indenture, between the State Treasurer and the Board.**
- 3. Approve the form of and authorize the execution of a Site Lease between the Department of Corrections and Rehabilitation (CDCR) and the Board for each of the above named projects.**
- 4. Approve the form of and authorize the execution of a Facility Lease between the Board and the CDCR for each of the above named projects.**
- 5. Approve the form of and consent to and acknowledge a Facility Sublease between the CDCR and each of the participating counties.**
- 6. Approve the form of and authorize the execution of a Continuing Disclosure Agreement.**
- 7. Approve the form of a Notice of Sale.**
- 8. Approve the form of and authorize the delivery of a Preliminary Official Statement.**
- 9. Approve and authorize the delivery of an Official Statement.**
- 10. Approve other related actions in connection with the authorization, issuance, sale, and delivery of said revenue bonds.**

<b>Estimated Project Costs to be Financed</b>	<b>\$46,121,000</b>
<b>Estimated Par Value of Bonds to be Issued</b>	<b>\$41,775,000</b>
<b>“Not To Exceed” Par Amount</b>	<b>\$52,000,000</b>

## BOND ITEM

### STAFF ANALYSIS ITEM—1

Department of Corrections and Rehabilitation  
2017 Series A, Lease Revenue Bonds  
Various Correctional Facilities

#### Action Requested

**If approved, the requested action would authorize the sale of the 2017 Series A lease revenue bonds and other related actions in connection with the issuance, sale, and delivery of said revenue bonds, including approving the forms of and authorizing the execution of a supplemental indenture, site leases, facility leases, a continuing disclosure agreement, and authorizing the delivery of a preliminary official statement, and an official statement. This action would also approve the form of and consent to and acknowledge facility subleases.**

#### Scope Description and Funding

**These projects are within scope and cost.**

Both projects will be sold in one series through a competitive sale, which will be bid out instead of negotiated, with a maximum being no longer than a 15-year term. CDCR will have the responsibility to pay debt service/rent and insurance through the Facility Lease. CDCR will have a Facility Sublease with each of the individual counties and the counties will be responsible to operate and maintain their respective projects within their funds.

#### Kings Jail Expansion, Kings County

The *Kings Jail Expansion* project (the “Kings Project”) is located within the City of Hanford in Kings County on approximately 4.0 acres of county owned land. The Kings Project consists of the design and construction of approximately 68,000 square feet of new housing, treatment, and program space for approximately 252 inmates.

A new two-story building was constructed primarily using steel and concrete, and includes a new recreation yard. This building contains eight housing units classified as medium or maximum security. All housing units contain a dayroom and adjacent program space.

The Kings Project includes a new medical area to provide space for medical, dental, and mental health treatment and provides approximately twelve special use beds. In addition, the expansion includes new security and intake/booking space, administrative space, warehouse space, a central plant, laundry, and program space for rehabilitative, self-help, religion and education programs.

The Kings Project also consists of alterations and improvements to approximately 2,000 square feet of the existing county jail. These alterations include the addition of an elevator, remodeling the existing laundry area into a dish room and expanding and upgrading the existing kitchen, new laundry space, and constructing multiple door openings in the existing walls for access from existing building to the new jail space. In addition, secure fencing surrounding the Kings Project was added.

The Kings Project is dependent upon the existing facility for several core operational components, including release, transportation, visiting, administration and staff support facilities.

The Kings Project is complete and was available for occupancy beginning in October 2016. The total cost of the Kings Project is estimated to be \$41,559,000, of which \$33,000,000 is expected to be financed with proceeds from the 2017A Bonds with the balance funded from other sources.

The issuance of the 2017A Bonds for the Kings Project has been authorized by sections 15820.91 through 15820.917 of the Government Code.

San Luis Obispo Juvenile Hall, San Luis Obispo County

The San Luis Obispo Juvenile Hall Expansion project (the “San Luis Obispo Project”) is located approximately five miles northwest of the City of San Luis Obispo in San Luis Obispo County on approximately 2.0 acres of county-owned land. The San Luis Obispo Project consists of the construction of an expansion of the existing County Juvenile Hall. The San Luis Obispo Project includes three new buildings and an exterior covered walkway providing approximately 23,400 gross square feet of additional new housing, recreation yard, classrooms, mental health treatment space, training/conference rooms, indoor multi-purpose/recreation, and administrative/teachers office space.

The new maximum security housing facility is a single story building with approximately 8,600 gross square feet of living space, with twenty sleeping rooms. The new housing building also includes a large day room to be used for dining and other activities, and two counseling interview rooms. Adjacent to the housing facility is a new outdoor recreation yard.

The academics/administration building is a two-story building of approximately 9,800 gross square feet. This building contains administrative and staff support areas, 3 classrooms, group treatment areas, teacher’s office, and mental health offices.

The multi-purpose/recreation building is a single story building with approximately 5,000 gross square feet of space. This building is accessible from the other buildings via an exterior covered walkway and will serve as an indoor large multipurpose gymnasium and includes a full basketball court and a full size volleyball court.

All three buildings are constructed of steel and concrete block for long-term durability. In addition, a retention basin and drainage improvements provide storm water control measures. Other site improvements include retaining walls, security systems, a fire access road, and security fencing with lighting surrounding the facility.

The San Luis Obispo Project is complete and was available for occupancy beginning in September 2016. The total cost of the San Luis Obispo Project is estimated to be \$20,915,000, of which \$13,121,000 is expected to be financed with proceeds from the 2017A Bonds with the balance funded from other sources.

The issuance of the 2017A Bonds for the San Luis Obispo Project has been authorized by sections 1970 through 1978 of the Welfare and Institutions Code.

**Staff Recommendation:     Adopt the resolution.**

## BOND ITEMS

### BOND ITEM—2

**BOARD OF STATE AND COMMUNITY CORRECTIONS (5227)  
ADULT LOCAL CRIMINAL JUSTICE FACILITIES PROJECT  
NAPA COUNTY**

*Authority: Sections 15820.92 – 15820.926 of the Government Code*

Consider adoption of a resolution to:

- a) **Authorize actions to be taken to provide for interim financing and declare the official intent of the Board to reimburse certain capital expenditures from the Public Buildings Construction Fund from the proceeds of the sale of bonds.**
- b) **Authorize the sale of lease revenue bonds.**
- c) **Approve other related actions in connection with the authorization, issuance, sale, and delivery of said revenue bonds.**

**Total Bond Appropriation**

**\$13,474,000**

## BOND ITEMS

### STAFF ANALYSIS ITEM—2

Board of State and Community Corrections  
Adult Local Criminal Justice Facilities Project  
Napa 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

**This project is within scope.** This project includes the design and construction of a new facility on county-owned land located in an unincorporated area of Napa County. The building will provide housing, program, and administrative space.

The housing area will include four housing units providing a total of approximately 72 beds; day rooms; recreation yard; and food service, maintenance, storage, and control space. The building will also include a central control, program/visitation rooms, counseling rooms, and administrative and kitchen/dining space.

The project will include, but is not limited to, electrical; plumbing; mechanical; heating, ventilation, and air conditioning; security; staff and visitor parking; fire protection systems; security fencing; and staff and visitor parking space.

#### Funding and Project Cost Verification

**This project is within cost.** Section 15820.922 of the Government Code (SB 1022) appropriates \$509,060,000 lease revenue bond financing authority to partially finance the design and construction of adult local criminal justice facilities. Award of this funding to individual counties was administered through the Board of State and Community Corrections (BSCC). The BSCC has conditionally awarded \$13,474,000 from this appropriation to Napa County for this project. All of the acquisition/study and any design and construction costs in addition to this amount will be paid by the County.

On December 12, 2014, the Board established the scope, cost, and schedule of this project allocating \$13,474,000 of the \$509,060,000 lease revenue bond financing authority appropriated in section 15820.922 of the Government Code to partially finance the design and construction of this project. At the time of establishment, the total estimated project cost was \$15,340,000. On February 09, 2016, the Board approved the preliminary plans with a total estimated project cost of \$16,372,000, including a potential deficit of \$1,032,000. Subsequent to these actions, a new project cost estimate was prepared in association with working drawings and proceed to bid. Based on this revised estimate, the current total estimated project cost is \$17,225,000 , which includes a potential deficit of \$1,885,000.

\$15,340,000	Total authorized project cost
\$17,225,000	Total estimated project cost
\$13,474,000	State costs previously allocated: \$693,000 preliminary plans, \$743,000 working drawings \$12,038,000 construction (\$10,073,000 contract, \$721,000 contingency, \$332,000 A&E, and \$912,000 other project cost)
\$0	State cost adjustments: a decrease of \$100,000 preliminary plans, a decrease of \$136,000 working drawings, an increase of \$236,000 construction (an increase of \$470,000 contract, an increase of 142,000 contingency, an increase of \$36,000 A&E and an decrease of \$412,000 other project cost)
\$1,866,000	Local costs previously allocated: \$262,000 acquisition/study, \$138,000 preliminary plans, \$115,000 workings drawings, and \$1,351,000 construction (\$234,000 contract, and \$1,117,000 other project cost)
\$1,885,000	Local costs potential deficit: a decrease of \$230,000 acquisition/study, a decrease of \$40,000 workings drawings, and an increase of \$ 2,155,000 construction (an increase of \$1,554,000 contract, and an increase of \$601,000 other project cost)

#### CEQA

A Notice of Determination was filed with the Napa County Clerk on November 21, 2014, and the 30-day statute of limitations expired without challenge.

#### Real Estate Due Diligence

A Summary of Conditions Letter for this project was completed on January 21, 2016, and no issues that would adversely affect the beneficial use and quiet enjoyment of the project were identified.

Project Schedule

Approve preliminary plans	February 2016
Complete working drawings	February 2017
Start construction	May 2017
Complete construction	July 2018

**Staff Recommendation:    Adopt resolution.**

## BOND ITEM

### BOND ITEM—3

**BOARD OF STATE AND COMMUNITY CORRECTIONS (5227)  
ADULT LOCAL CRIMINAL JUSTICE FACILITIES PROJECT  
SOLANO COUNTY**

*Authority: Sections 15820.92 – 15820.926 of the Government Code*

Consider adoption of a resolution to:

- a) Authorize actions to be taken to provide for interim financing and declare the official intent of the Board to reimburse certain capital expenditures from the Public Buildings Construction Fund from the proceeds of the sale of bonds.
- b) Authorize the sale of lease revenue bonds.
- c) Approve other related actions in connection with the authorization, issuance, sale, and delivery of said revenue bonds.

**Total Bond Appropriation**

**\$23,037,000**

## BOND ITEM

### STAFF ANALYSIS ITEM—3

Board of State and Community Corrections  
Adult Local Criminal Justice Facilities Project  
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

**This project is within scope.** This project includes the design and construction of two new vocational education program buildings adjacent to the existing jail on county-owned land in the city of Fairfield. The new buildings will be constructed primarily of steel, masonry, and concrete for long-term durability, and will include cost effective “green building” principles designed with the goal of achieving LEED Silver certification.

The new Classroom Training Center building will consist of classrooms, a computer training center, a lobby/reception area, and administrative and support space. The new Vocational Training Center building will consist of vehicle repair bays with vehicle lifts for bus and automobile repair and maintenance programs, an area for building trade programs, and office and support space.

The project will include, but is not limited to, electrical; plumbing; mechanical; heating, ventilation, and air conditioning; security; and fire protection systems. This project will also include a photovoltaic system, concrete walkways, secure fencing, paved asphalt areas for vehicle circulation and parking, landscaping, and water detention areas for storm water runoff.

#### Funding and Project Cost Verification

**This project is within cost.** Section 15820.922 of the Government Code appropriates (SB 1022) \$509,060,000 lease revenue bond financing authority to partially finance the design and construction of adult local criminal justice facilities. The initial allocation of this funding to individual counties was administered through the Board of State and Community Corrections (BSCC) through a competitive public process. The BSCC has conditionally awarded \$23,037,000 from this appropriation to Solano County for this project. All acquisition/study and any design and construction costs in addition to this award amount will be paid by the county.

On June 15, 2015, the Board established the scope, cost and schedule of this project, allocating \$23,037,000 of the \$509,060,000 appropriated in section 15820.922 of the Government Code to partially finance the construction of this jail project. At the time of establishment, the total estimated project cost was \$25,597,000. On November 18, 2015, the Board approved the preliminary plans with a total estimated project cost of \$25,597,000. Subsequent to that action, a new project cost estimate was prepared in association with the approval of working drawings. Based on this revised estimate, the current total estimated project cost is \$25,748,000, which includes a potential deficit in the amount of \$151,000.

\$25,597,000	Total authorized project cost
\$25,748,000	Total estimated project cost
\$23,037,000	State funds allocated: \$306,000 preliminary plans, \$869,000 working drawings, \$21,615,000 construction (\$17,407,000 contract, \$1,493,000 contingency, \$364,000 A&E, \$1,851,000 other project costs)
\$0	State costs adjustment: increase \$46,000 working drawings, decrease \$46,000 construction (increase \$986,000 contract, decrease \$692,000 contingency, increase \$122,000 A&E, decrease \$462,000 other projects costs)
\$2,560,000	Local funds allocated: \$1,339,000 acquisition, \$218,000 preliminary plans, \$210,000 working drawings, \$793,000 construction (\$81,000 contract, \$712,000 other project costs)
\$151,000	Local costs adjustment: increase \$1,000 working drawing, increase \$150,000 construction (increase \$151,000 contract, decrease \$1,000 other project costs)

#### CEQA

A Notice of Determination was filed with the State Clearinghouse on September 12, 2013, and the 30-day statute of limitations expired without challenge.

#### Real Estate Due Diligence

A Summary of Conditions Letter for this project was completed on November 10, 2015, and no issues that would adversely affect the beneficial use and quiet enjoyment of the facility were identified.

Project Schedule

Approve preliminary plans	November 2015
Complete working drawings	January 2017
Start construction	May 2017
Complete construction	October 2018

**Staff Recommendation:    Adopt resolution.**

## CONSENT ITEM

### CONSENT ITEM –1

**CALIFORNIA CONSERVATION CORPS (3340)**  
**TAHOE BASE CENTER – EQUIPMENT STORAGE RELOCATION**  
**EL DORADO COUNTY**  
DGS Parcel Number 10859

*Authority: Chapters 10 and 11, Statutes of 2015, Item 3340-301-0660 (1), as reappropriated by the Budget Act of 2016*

**Consider authorizing site selection.**

## CONSENT ITEM

### STAFF ANALYSIS ITEM –1

California Conservation Corps  
Tahoe Base Center – Equipment Storage Relocation  
El Dorado County

Action Requested

**If approved, the requested action would authorize site selection.**

Scope Description

**This project is within scope.** This request will authorize site selection of two contiguous parcels totaling approximately 0.7 acres located at 1802 and 1808 Santa Fe Road in the unincorporated community of Meyers (South Lake Tahoe), in El Dorado County for the design and reconditioning of existing storage facilities. The proposed site is currently being leased by the California Conservation Corps (CCC) and will provide permanent storage to serve the Tahoe Base Center.

Funding and Project Cost Verification

**This project is not within cost.** Chapters 10 and 11, Statutes of 2015, Item 3340-301-0660(1), as reappropriated by the Budget Act of 2016, provides \$2,510,000 for acquisition, design, and renovation of a warehouse. This appropriation was based on a 2012 appraisal of the warehouse site that CCC currently leases in proximity to the new Tahoe Base Center. There have been delays—related to completion of the acquisition of this site owing to real estate due diligence issues pertaining to easements on the site and obtaining an approved appraisal—that have escalated project costs. Increased property values are the primary driver of this cost increase, as the total acquisition cost was originally estimated to cost \$950,000 and is now estimated to cost \$2,400,000, for an increase of \$1,450,000. Therefore, the warehouse project is now estimated to cost \$4,038,000, for an increase of \$1,528,000. Additional funding for this project will be requested as part of the 2017 Budget.

The CCC requests to move forward with site selection, which is the first step in acquiring this site, in advance of the Legislature’s approval of the additional funding needed to complete this

project. Acquisition of the property will not occur unless the additional funds are included in the 2017 Budget Act.

### CEQA

Environmental review and appropriate CEQA documentation will be completed prior to seeking Board approval to acquire the proposed site.

### Condition of Property

DGS conducted a site visit on June 15, 2016 to assess the general condition. The proposed site is flat and approximately the same elevation as State Route Hwy 50, to which the proposed site has access via Santa Fe Road. The existing property has two separate single-story warehouse buildings totaling approximately 12,500 square feet. Each building includes five storage units, for a combined total of ten units. Presently, the ten units are fully leased with various light industrial type businesses. The CCC occupies three units in the south building (1808 Santa Fe), and one in the north building (1802 Santa Fe); the leased space is used for equipment storage. Existing fencing along the west boundary (rear) of the property includes a 6 foot high chain link fence and a parallel 6 foot high wood fence. The site is entirely paved.

### Other:

- The 2013 Infrastructure Study prepared by DGS indicates that further research is required to determine whether identified easements apply to the proposed site. The current building layout appears to be inconsistent with setbacks identified in recorded Covenants, Conditions and Restrictions (CC&Rs); therefore, the CC&Rs may need to be amended or terminated. These issue will be further investigated prior to acquisition.
- The purchase price of the property may exceed the DGS approved appraisal due to the scarcity of available properties in the area that can accommodate the CCC's programmatic needs.
- An asbestos and lead-containing materials assessment should be conducted prior to conducting any activity that may disturb the building materials at the proposed site.
- The proposed site meets the physical and location requirements of the California Conservation Corps.
- There is relocation assistance involved with this project. A Relocation Assistance Plan will be prepared, consistent with the California Relocation Act (Government Code Section 7260 et seq).
- There is no known outstanding litigation associated with the proposed site. The Property Acquisition Agreement will require delivery of the fee title to the proposed site free and clear of any mortgages or liens.
- There are no known historic issues and no implied dedications associated with this property.

### Project Schedule

Anticipated close of escrow

October 2017

**Staff Recommendation: Authorize site selection.**

## CONSENT ITEM

### CONSENT ITEM –2

**DEPARTMENT OF FORESTRY AND FIRE PROTECTION (3540)  
SOUTH OPERATIONS AREA HEADQUARTERS: RELOCATE FACILITY  
RIVERSIDE COUNTY**

*Authority: Chapter 106, Statutes of 2001, Item 3540-301-0001 (23)  
Chapter 106, Statutes of 2001, Item 3540-304-0042 (20)  
Chapter 379, Statutes of 2002, Item 3540-301-0660 (13)  
Chapter 208, Statutes of 2004, Item 3540-301-0660 (3.8)  
Chapter 47, Statutes of 2006, Item 3540-301-0660 (3) as reappropriated  
by the Budget Act 2009, 2012, and 2016  
Chapter 171, Statutes of 2007, Item 3540-301-0660 (7.7) as reappropriated  
by the Budget Act 2009, 2012, and 2016  
Chapter 268, Statutes of 2008, Item 3540-301-0660 (8) as reappropriated  
by the Budget Acts 2009, 2011, 2013, and 2016  
Chapter 25, Statutes of 2014, Item 3540-301-0660 (13), as reappropriated  
by the Budget Act of 2016*

**Consider recognizing a scope change.**

## CONSENT ITEM

### STAFF ANALYSIS ITEM –2

California Department of Forestry and Fire Protection  
South Operations Area Headquarters: Relocate Facility  
Riverside County

Action Requested

**If approved, the requested action will recognize a scope change.**

Scope Description

**This project is not within scope.** The approved project scope includes the construction of an approximately 63,000 square foot (sf) operations headquarters facility consisting of an administration building, an office/command center, construction and engineering offices, electrical, auto, and mechanical shops, a warehouse, training center, groundskeeper/hazardous materials building, fueling facility, generator building, and a communication tower.

On September 26, 2012, Finance approved a scope change for this project to remove approximately 6,000 sf of building associated with United States Forest Service (USFS) and Bureau of Land Management space, that they would no longer be occupying, and to incorporate design efficiencies with the need for less circulation space. This scope change was requested because federal funding could not be secured at that time.

Federal funds have now been secured and the California Department of Forestry and Fire Protection (Cal Fire) is requesting a scope change for the South Operations Area Headquarters

Relocation project to increase the administration building by approximately 3,500 sf, or 12.6 percent, from approximately 28,000 sf to approximately 31,500 sf, to add a wing to the building that will provide dedicated space to be used by USFS. USFS' entry into the completed facility will be contingent upon the development of a facility use agreement(s) between the state and USFS that is compatible with lease revenue bond financing. In addition, a tax analysis will need to be completed to determine how this federal use will affect the state's financing of the project.

On February 8, 2017, the Department of Finance notified the chairs of the Joint Legislative Budget, the Senate Appropriations, and Assembly Appropriations committees that CalFire submitted the Section 28.00, Budget Act of 2016, application for the purposes of adding dedicated space for USFS to this project and of its intent to approve the scope change and amend the approved budget for this project and recommend that the State Public Works Board recognize this revised scope no sooner than 30 days from that date.

Funding and Cost Verification

**This project is within cost.** A total of \$50,197,000 in state funds (\$803,000 General Fund, \$1,104,000 State Highway Account, and \$48,290,000 lease revenue bonds) have been appropriated for this project. In addition, federal funds in the amount of \$2,045,000 have been authorized for this project pursuant to Section 28.00, Budget Act of 2016.

\$52,242,000	Total authorized project cost
\$45,867,000	Total estimated project cost
\$43,822,000	State funds previously allocated: \$1,320,000 acquisition, \$803,000 preliminary plans, \$3,720,000 working drawings, and \$37,979,000 construction (\$27,690,000 contract, \$1,384,000 contingency, \$2,894,000 A&E, \$3,037,000 other project costs, and \$3,090,000 agency retained)
\$2,045,000	Federal funds to be allocated: \$2,045,000 construction (\$1,678,000 contract, \$168,000 contingency, \$116,000 A&E, and \$83,000 other project costs)
\$6,375,000	Estimated project savings

CEQA

A Notice of Determination was filed with the State Clearinghouse on November 30, 2002, and the 30-day statute of limitations expired without challenge.

Real Estate Due Diligence

A Summary of Conditions memo was completed on February 12, 2016, and no issues that would adversely affect the beneficial use and quiet enjoyment of the project were identified.

Project Schedule

Acquisition	December 2013
Approve preliminary plans	November 2002
Approve working drawings	February 2016
Start construction	September 2016
Complete construction	September 2018

**Staff Recommendation: Recognize a scope change.**

## ACTION ITEMS

### ACTION ITEM—1

**HIGH SPEED RAIL AUTHORITY (2665)  
INITIAL OPERATING SEGMENT, SECTION 1  
FRESNO, KINGS AND KERN COUNTIES**

*Authority: Chapter 152, Statutes of 2012, Item 2665-306-0890 (1)  
Chapter 152, Statutes of 2012, Item 2665-306-6043 (1)  
Chapter 25, Statutes of 2014, Item 2665-306-3228 (1)  
Section 39719(b)(2) of the Health and Safety Code  
Section 39719.1 of the Health and Safety Code*

**Consider authorizing site selection of nine assessor’s parcels in full or in part.**

<b>Fresno, Kings and Kern Counties</b>	
High Speed Rail Authority Parcel Number	Assessor Parcel Number (APN) or Property Location Description
<b>Fresno County</b>	
MF-10-0116	510-100-41
FB-10-0886	334-310-54U
FB-10-0886	334-010-15U
FB-10-0886	335-090-56U
FB-10-0886	335-010-01U
<b>Kings County</b>	
FB-16-0421	High Speed Train Line at Dutch John Cut, between APN 002-060-016 and APN 002-060-027
FB-16-0380	High Speed Train Line at Old Kings Crossing, between APN 002-120-036 and APN 002-150-057
FB-16-0415	016-130-085
<b>Kern County</b>	
FB-15-0214	Near Gromer Avenue, between APN 487-010-33 (BNSF railroad) and State Highway 43

## ACTION ITEMS

### STAFF ANALYSIS ITEM—1

High Speed Rail Authority  
Initial Operating Segment, Section 1  
Fresno, Kings, and Kern Counties

#### Action Requested

**If approved, the requested action would authorize site selection of nine assessor's parcels in full or in part.**

#### Scope Description

**This project is within scope.** The Initial Operating Segment, Section 1 (IOS-1) is expected to be approximately 120 miles starting from Madera and extending southward almost to Bakersfield. This initial section includes the realignment of Highway 99 in Fresno, construction of a bridge over the San Joaquin River, several grade separations, two viaducts and the acquisition of approximately 1,500 parcels. The IOS-1 is the first construction phase of the High Speed Train System (HSTS). The HSTS consists of Phase 1, which would provide 520 miles of the HSTS extending from San Francisco to Los Angeles/Anaheim, and Phase 2, which would extend the system to Sacramento and San Diego.

#### Funding and Cost Verification

**This project is within cost.** Chapter 152, Statutes of 2012, appropriated \$5.850 billion (\$2.609 billion High Speed Passenger Train Fund and \$3.241 billion federal funds) and Chapter 25, Statutes of 2014 provided an additional \$191.4 million Greenhouse Gas Reduction Fund for the IOS-1. In addition, Health and Safety Code section 39719 (b)(2) appropriates 25 percent of the annual proceeds of the Greenhouse Gas Reduction Fund for the Phase 1 Blended System and Health and Safety Code section 39719.1 authorizes repayment of a \$400 million General Fund loan from the Greenhouse Gas Reduction Fund for the Phase 1 Blended System. The IOS-1 is a component of the Phase 1 Blended System.

#### Background

To date, the Board has site-selected approximately 1,500 parcels comprising approximately 120 miles from Madera to near Bakersfield. This total does not reflect properties associated with right-of-way transfer agreements with local government.

Site selection of parcel MF-10-0116 is necessary to accommodate the re-alignment of N. Golden State Boulevard near Ashlan Avenue. The other parcel in Fresno County, FB-10-0886, is needed for a right-of-way within the existing BNSF line to allow for the construction of the Adams Avenue grade separation. Two of the three Kings County parcels, FB-16-0421 and FB-16-0380, are needed for crossings of the Kings River, with the remaining parcel needed for the Houston Avenue grade separation. The remaining parcel, FB-15-0214, is near Gromer Avenue in the City of Wasco and is needed to route underground utilities to the traction power supply station.

For these properties, the CEQA and NEPA processes were completed in 2012 or 2014. Consistent with corridor based projects, minimal real estate due diligence has occurred to date as the alignment determines which properties must be acquired and any abatement or title issues will be resolved during or shortly after acquisition.

**Staff Recommendation: Authorize site selection of nine assessor's parcels in full or in part.**

## ACTION ITEMS

### ACTION ITEM—2

**HIGH SPEED RAIL AUTHORITY (2665)  
INITIAL OPERATING SEGMENT, SECTION 1  
FRESNO COUNTY**

Authority Parcel Numbers: FB-10-0594, FB-10-0278, FB-10-0601, and FB-10-0602  
Assessor's Parcel Numbers: 330-211-25T, 330-211-29, 330-211-28, and 330-211-30

*Authority: Chapter 152, Statutes of 2012, Item 2665-306-0890 (1)  
Chapter 152, Statutes of 2012, Item 2665-306-6043 (1)  
Chapter 25, Statutes of 2014, Item 2665-306-3228 (1)  
Section 39719(b)(2) of the Health and Safety Code  
Section 39719.1 of the Health and Safety Code  
Section 185040(d) of the Public Utilities Code  
Section 185040(f) of the Public Utilities Code*

**Consider approving an agreement between the High Speed Rail Authority and the Fresno Metropolitan Flood Control District for an exchange of real property.**

## ACTION ITEMS

### STAFF ANALYSIS ITEM—2

High Speed Rail Authority  
Initial Operating Segment, Section 1  
Fresno County

Action Requested

**Consider approving an agreement between the High Speed Rail Authority and the Fresno Metropolitan Flood Control District for an exchange of real property.**

On November 6, 2015, the SPWB adopted a resolution to delegate acquisition approval for HSTS acquisitions that conform to a SPWB-approved standard contract with non-substantive changes. Due to the complexity of the proposed land exchange agreement (Agreement) between the Fresno Metropolitan Flood Control District (FMFCD) and the High Speed Rail Authority (Authority), this contract falls outside of the delegation and requires SPWB approval.

Under the Agreement, Authority and FMFCD agree to a partial land exchange to acquire and relocate a portion of undeveloped FMFCD basin that must be reconfigured to accommodate the proposed project. The excess land from three HSR parcels would be exchanged for one parcel owned by FMFCD. The proposed exchange of land would avoid a more time-consuming and expensive purchase/sale process.

**Staff Recommendation: Approve an agreement between the High Speed Rail Authority and the Fresno Metropolitan Flood Control District for an exchange of real property.**

## ACTION ITEMS

### ACTION ITEM—3

**HIGH SPEED RAIL AUTHORITY (2665)  
INITIAL OPERATING SEGMENT, SECTION 1  
FRESNO AND KERN COUNTIES**

*Authority: Chapter 152, Statutes of 2012, Item 2665-306-0890 (1)  
Chapter 152, Statutes of 2012, Item 2665-306-6043 (1)  
Chapter 25, Statutes of 2014, Item 2665-306-3228 (1)  
Section 39719(b)(2) of the Health and Safety Code  
Section 39719.1 of the Health and Safety Code  
Section 15854 of the Government Code*

**Consider the adoption of Resolutions of Necessity authorizing the use of eminent domain to acquire the following properties:**

- 1. Bombay Corporation Property (Fresno County)**  
Authority Parcel Numbers: FB-10-0565-1 and FB-10-0565-2  
Assessor Parcel Number: 465-094-36U
- 2. Grooman Property (Kern County)**  
Authority Parcel Numbers: FB-15-0169-1, FB-15-0169-2, FB-15-0169-01-01,  
FB-15-0169-02-01, FB-15-0169-05-01, and FB-15-0169-06-01  
Assessor Parcel Numbers: 030-062-02 and 030-062-05
- 3. Koch Property (Fresno County)**  
Authority Parcel Numbers: FB-10-0561-1 and FB-10-0561-2  
Assessor Parcel Number: 465-093-21
- 4. Sandridge Partners Property (Kern County)**  
Authority Parcel Number: FB-15-0155-1  
Assessor Parcel Number: 487-010-15
- 5. Premiere Agriculture Property (Kern County)**  
Authority Parcel Numbers: FB-15-0021-1, FB-15-0021-2, FB-15-0023-1,  
FB-15-0023-2, FB-15-0023-3, FB-15-0023-4, FB-15-0023-5, FB-15-0023-6,  
FB-15-0023-7, FB-15-0023-8, FB-15-0023-9, and FB-15-0023-01-01  
Assessor Parcel Numbers: 047-350-06, 059-210-03, 059-210-35, and 059-210-36

## ACTION ITEMS

### STAFF ANALYSIS ITEM—3

High Speed Rail Authority  
Initial Operating Segment, Section 1  
Fresno and Kern Counties

#### Action Requested

**Adopt five Resolutions of Necessity authorizing the use of eminent domain to acquire properties totaling approximately 41 acres.**

#### Scope Description

**This project is within scope.** The Initial Operating Segment, Section 1 (IOS-1) is expected to be approximately 120 miles starting from Madera and extending southward almost to Bakersfield. This initial section includes the realignment of Highway 99 in Fresno and relocation of railroad lines, the construction of bridges over the San Joaquin and Fresno Rivers as well as other waterways, several dozen grade separations, multiple viaducts and trenches, and the acquisition of approximately 1,500 parcels. The IOS-1 is the first construction phase of the High Speed Train System (HSTS). The HSTS consists of Phase 1, which would provide 520 miles of the HSTS extending from San Francisco to Los Angeles/Anaheim, and Phase 2, which would extend the system to Sacramento and San Diego.

#### Funding and Cost Verification

**This project is within cost.** Chapter 152, Statutes of 2012, appropriated \$5.850 billion (\$2.609 billion High Speed Passenger Train Fund and \$3.241 billion federal funds) and Chapter 25, Statutes of 2014 provided an additional \$191.4 million Greenhouse Gas Reduction Fund for the IOS-1. In addition, Health and Safety Code section 39719 (b)(2) appropriates 25 percent of the annual proceeds of the Greenhouse Gas Reduction Fund for the Phase 1 Blended System and Health and Safety Code section 39719.1 authorizes repayment of a \$400 million General Fund loan from the Greenhouse Gas Reduction Fund for the Phase 1 Blended System. The IOS-1 is a component of the Phase 1 Blended System.

#### Background

In order to adopt a Resolution of Necessity that is required to initiate the eminent domain proceedings, the Board must consider that the following conditions have been met:

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

In 2008 the voters of California approved Proposition 1a, authorizing monies from the High-Speed Passenger Train Bond fund in support of this Project. In 2009 and 2010 the federal government approved funds in support of the portion of this Project extending from San Francisco to Anaheim, and in 2012 and 2014, through Chapter 152, Statutes of 2012 and Chapter 25, Statutes of 2014, the Legislature appropriated funds for the acquisition and design-build phases of the IOS-1 of the Project, extending from Madera to just north of Bakersfield.

The Property Acquisition Law, commencing with section 15850 of the Government Code, authorizes the Board to select and acquire in the name of the State of California (State) with the consent of the State agency concerned, the fee or any lesser right or interest in any real property necessary for any State purpose or function. This law also authorizes the Board to acquire property by condemnation, in the manner provided for in Title 7 (commencing at section 1230.010) of Part 3 of the Code of Civil Procedure.

Each of the properties is within the right of way for IOS-1 and was site selected at previous Board meetings. The site selections took place after an environmental review process where it was determined that any alternative alignment would include the selected parcels, or where a preferred alignment had already been approved by both the High Speed Rail Authority Board and the Federal Railroad Administration. Acquisition of these properties will allow the High Speed Rail Authority to move forward with construction of the HSTS.

Between October 2016 and January 2017, the various owners were provided with a first written offer to purchase the subject property, as required by Government Code section 7267.2, with the exception of Ledesma, whose owners could not be located with reasonable diligence. Negotiations to acquire the properties are continuing; however, in order to keep the project on schedule, the adoption of Resolutions of Necessity to authorize the use of eminent domain is required.

On February 17, 2017, Notices of Intent to adopt a Resolution of Necessity were mailed to the respective property owners, with the exception of some of the owners of the Hall/Allen property who could not be located. These notices were sent in accordance with Code of Civil Procedure section 1245.235.

Property Specific Information:

1. Bombay Corporation Property (Fresno County)  
Authority Parcel Numbers: FB-10-0565-1 and FB-10-0565-2  
Assessor Parcel Number: 465-094-36U  
Partial Acquisition: Approximately 0.03 acre total (0.01 acre in fee and 0.02 acre in easement)

This property will be needed for the construction of the Tuolumne Street grade separation.

2. Grooman Property (Kern County)  
Authority Parcel Numbers: FB-15-0169-1, FB-15-0169-2, FB-15-0169-01-01, FB-15-0169-02-01, FB-15-0169-05-01, and FB-15-0169-06-01  
Assessor Parcel Numbers: 030-062-02 and 030-062-05  
Partial Acquisition: Approximately 0.95 acre in fee

This property will be needed for the construction of the HSTS between 6<sup>th</sup> Street and Poso Street and for the construction of the 6<sup>th</sup> Street grade separation.

3. Koch Property (Fresno County)  
Authority Parcel Numbers: FB-10-0561-1 and FB-10-0561-2  
Assessor Parcel Number: 465-093-21  
Partial Acquisition: <0.01 acre total (<0.01 acre in fee and <0.01 acre in easement)

This property will be needed for the construction of the Tuolumne Street grade separation.

4. Sandridge Partners Property (Kern County)  
Authority Parcel Number: FB-15-0155-1  
Assessor Parcel Number: 487-010-15  
Partial Acquisition: Approximately 4.11 acres in fee

This property will be needed for the construction of the HSTS between McCombs Avenue and 6<sup>th</sup> Street.

5. Premiere Agriculture Property (Kern County)  
Authority Parcel Numbers: FB-15-0021-1, FB-15-0021-2, FB-15-0023-1, FB-15-0023-2, FB-15-0023-3, FB-15-0023-4, FB-15-0023-5, FB-15-0023-6, FB-15-0023-7, FB-15-0023-8, FB-15-0023-9, and FB-15-0023-01-01  
Assessor Parcel Numbers: 047-350-06, 059-210-03, 059-210-35, and 059-210-36  
Partial Acquisition: Approximately 36.37 acres total (35.63 acres in fee and 0.74 acre in easement)

This property will be needed for the construction of the HSTS between Pond Road and Sherwood Avenue.

**Staff Recommendation:**      **Adopt five Resolutions of Necessity authorizing the use of eminent domain to acquire properties totaling approximately 41 acres.**

**OTHER BUSINESS**

**NONE**

**REPORTABLES**

**TO BE PRESENTED AT MEETING**