



Staff Analysis

STATE PUBLIC WORKS BOARD

Friday, May 10, 2019 at 10:00 a.m. in

Room 113, State Capitol, Sacramento, California

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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 Kathryn Lee at (916) 445-9694 or e-mail to Kathryn.lee@dof.ca.gov, five days prior to the meeting.

MINUTES

Consider approving the minutes from the March 25, 2019 and April 12, 2019 meetings.

Staff have reviewed the minutes from the March 25, 2019 and April 12, 2019 meetings and recommend approval of those meeting minutes.

Staff Recommendation: Approve minutes from the March 25, 2019 and April 12, 2019 meetings.

CONSENT ITEMS

CONSENT ITEM—1

DEPARTMENT OF FORESTRY AND FIRE PROTECTION (3540)
NIPOMO FIRE STATION
SAN LUIS OBISPO COUNTY

*Authority: Chapters 29, 30, and 449, Statutes of 2018, Section 6.00
Government Code Section 15853*

Consider authorizing:

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

STAFF ANALYSIS ITEM—1

Department of Forestry and Fire Protection
Nipomo Fire Station
San Luis Obispo County

Action Requested

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

Scope Description

This project is within scope. This request will authorize the acquisition of approximately 3 acres (the Property) at 450 Pioneer Avenue in the town of Nipomo, San Luis Obispo County for zero dollars (\$0.00). The Department of Forestry and Fire Protection (CalFire) currently operates a fire station on the Property under a 99-year lease that will expire July 2049. The acquisition will allow CalFire to continue operations on the Property without a termination date. The owner of the Property wishes to convey the Property to CalFire for zero dollars (\$0.00) at this time. If approved, CalFire's lease will terminate upon close of escrow.

Funding and Cost Verification

This project is within cost. CalFire will be using support funds not to exceed \$100,000 pursuant to Control Section 6.00 for overhead costs. This state will be acquiring the Property from the owner for zero dollars (\$0.00).

CEQA

A Notice of Exemption was filed with the State Clearinghouse on November 29, 2018, and the 35-day statute of limitations expired without challenge.

Condition of Property Statement

In August 2018, the Department of General Services (DGS) Environmental Services Unit (ESU) visited the Property. The subject site is surrounded by residential (single family homes), California State Route 101, and vacant property.

The Property is developed with the existing Nipomo Fire Station.

The Property is shown on the FEMA Maps designated Zone X, which is used for areas of minimal flood hazard, typically above the 500-year flood level.

While DGS-ESU staff was observing the overall conditions of the Property, no potential contaminated sources and no environmental concerns were observed.

Project Schedule

The anticipated close of escrow is June 2019.

Other:

- The Board approved delegated site selection of the Property in November 2018.
- CalFire is taking title to the Property in “as is” condition with no indemnifications due to the fact that CalFire has been operating on the site for 68 years.
- There are no historic issues and no implied dedication associated with this Property.
- CalFire is not aware of any lawsuits pending on the Property.
- There is no relocation assistance required for this project.
- The proposed project location is consistent with the state’s planning priorities in accordance with Government Code section 65041 et seq.

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

CONSENT ITEM—2

**DEPARTMENT OF FORESTRY AND FIRE PROTECTION (3540)
SMARTSVILLE FIRE STATION
YUBA COUNTY**

Authority: Chapters 29, 30, and 449, Statutes 2018, Item 3540-301-0001 (4)

Consider authorizing:

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

STAFF ANALYSIS ITEM—2

Department of Forestry and Fire Protection
Smartsville Fire Station
Yuba County

Action requested

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

The Property will be acquired at a cost of \$100,000, which is \$29,100 more than the appraised value of \$70,900. While above the market value, staff recommends proceeding with this acquisition because there is a public purpose and benefit. Specifically, the on-site wastewater treatment system at the Smartsville Fire Station failed, forcing the fire station to close half of their operations. This acquisition would allow the California Department of Forestry and Fire Prevention (CalFire) to replace the failed system and provide a long-term solution, which would significantly reduce the operating and maintenance costs, and allow the fire station to reopen, fully operational. Additionally, the current fire station does not have the adequate soil type and the land area is not conducive for installing a new wastewater treatment and disposal system. This neighboring property, after reviewing soils maps and after a soils investigation, was determined to be the most feasible waste disposal site.

The Property Acquisition Agreement is contingent upon the state receiving an access easement from the property owner for access, ingress, and egress over and across a private road, known as Hammonton Smartsville Road.

Scope Description

This project is within scope. This request will authorize the acquisition of approximately 15 acres (the Property) on Highway 20 at Hammonton Smartsville Road in the town of Smartsville, Yuba County, to allow CalFire to construct a new leach field to service the Smartsville Fire Station. The Property is located across Highway 20 from the Smartsville Fire Station. CalFire previously held an easement on the site to operate a leach field/septic system that has since failed, and the easement has expired. The Smartsville Fire Station does not have adequate soil type or land area to install a new wastewater treatment and disposal system on the state-owned parcel.

The owners of the Property are not willing to lease or grant an easement for continued use by CalFire but have agreed to sell the Property to CalFire.

Funding and Cost Verification

This project is within cost. CalFire will redirect \$395,000 from funds appropriated in the 2018 Budget to acquire this site and make limited improvements. Of that amount, \$145,000 will be used for the acquisition (\$100,000 for the land and \$45,000 for Department of General Services (DGS) overhead costs).

CEQA

A Notice of Exemption was filed, for the acquisition, with the State Clearinghouse on November 9, 2018, and the 35-day statute of limitations passed without challenge. The DGS will conduct appropriate CEQA review for the project itself before the project commences.

Condition of Property:

DGS issued an updated Condition of Property Statement in November 2018. The subject property is undeveloped, open mixed deciduous forest, grass and shrub, roughly triangular in shape, and is surrounded by similar undeveloped open space and sparsely developed rural properties. The topography consists of elevations ranging from approximately 760 feet above

STAFF ANALYSIS ITEM—3

Department of Corrections and Rehabilitation
Health Care Facility Improvement Program
Statewide

Action Requested

If approved, the requested action would approve an augmentation and recognize revised project costs for three Health Care Facilities Improvement Program projects as shown in Table 1.

Scope Description

These projects are within scope. The Department of Corrections and Rehabilitation (CDCR) has statewide projects to design and construct medical, dental, and mental health treatment or housing space at existing prison facilities. Nine projects provide a range of mental health services, such as Enhanced Outpatient Program treatment and office space, Intermediate Care Facilities, psychiatric services, and mental health crisis beds. These nine mental health projects have been completed.

The Health Care Facilities Improvement Program (Program) projects are part of CDCR's strategy to address statewide prison health care system deficiencies. The Board established 25 Program projects to support health care operations by improving the infrastructure necessary to provide a variety of health care services, including primary care, specialty care, laboratory, medication distribution, pharmacy, health records storage, and related health care Administration

Funding and Project Cost Verification

These projects are not within cost. Sections 15819.401 through 15819.404 of the Government Code appropriated \$900,419,000 lease revenue bond financing authority to the CDCR to design and construct medical, dental, and mental health treatment or housing space at existing prison facilities. The amount authorized in Section 15819.403 of the Government Code was adjusted by Chapter 44, Statutes of 2018, and appropriated an additional \$43 million to fund existing Program projects for a total authorized amount of \$943,419,000. This appropriation provided \$193.1 million for nine completed mental health projects. The remaining \$750,419,000 within the appropriation has been allocated for the 25 Program projects.

To date, this appropriation has been augmented by \$178,909,000 for various Program projects (18.97 percent cumulative). At this time, CDCR is requesting an augmentation for three HCFIP projects for a total of \$8,437,000 (0.89 percent, 19.86 percent cumulative). Table 1 outlines the cost adjustments for each of the three projects. These adjustments stem from a combination of increases in project costs that are a result of unforeseen variables that materialized during the construction phase of these Program projects.

Program Projects	Cost Increases	Revised Project Cost
California Training Facility, Soledad	\$2,586,000	\$34,829,000
Sierra Conservation Center, Jamestown	\$1,375,000	\$23,692,000
Folsom State Prison, Represa	\$4,476,000	\$61,670,000
Total	\$8,437,000	

Costs have escalated for a number of reasons, as previously outlined in the Staff Analysis for the April 13, 2018 Board meeting.

We note that other projects within the Program will also require additional funding beyond this augmentation. A Finance Letter requesting additional lease revenue bond authority for the Program is forthcoming.

CDCR is making progress on the construction of this Program. Of the 25 prisons that have Program projects funded from this appropriation, one prison was completed in 2017 and three additional prisons were completed in 2018. Two additional prisons are projected to have construction completed by June 2019. As of March 2019, construction activities for the overall Program were approximately 67 percent complete.

On April 19, 2019, the Department of Finance notified the chairs of the Joint Legislative Budget and fiscal committees in each house of its intent to recommend the Board approve the augmentation no sooner than 20 days from that date.

\$1,122,328,000	Total authorized project cost
\$1,130,765,000	Total estimated project cost
\$1,122,328,000	Project costs previously allocated: \$36,284,000 for preliminary plans, \$48,319,000 for working drawings, and \$1,037,725,000 for construction (\$689,891,000 for contract, \$41,878,000 for contingency, \$58,692,000 for A&E, \$102,796,000 for other project costs, and \$144,468,000 for agency retained items)
\$8,437,000	Augmentation to be allocated: increase of \$8,437,000 for construction (\$4,800,000 for contract, \$289,000 for contingency, \$216,000 for A&E, \$2,367,000 for other project costs, and \$765,000 for agency retained)

CEQA

Notices of Exemption were filed with the State Clearinghouse on various dates, and the 35-day statute of limitations expired without challenge.

Real Estate Due Diligence

The Summary of Conditions Letters for these projects were completed on various dates, and no issues that would adversely affect the beneficial use and quiet enjoyment of these projects were identified.

Project Schedule

Approve preliminary plans	Various
Complete working drawings	Various
Start construction	Various
Complete construction	Various

Staff Recommendation: Approve augmentation and recognize revised project costs for three Program projects, as shown in Table 1.

OTHER BUSINESS

NONE

REPORTABLES

TO BE PRESENTED AT MEETING