

AGENDA WITH ANALYSIS

STATE PUBLIC WORKS BOARD

**The STATE PUBLIC WORKS BOARD will meet on
Monday, July 17, 2017 at 10:00 a.m. in Room 113,
State Capitol, Sacramento, California.**

STATE PUBLIC WORKS BOARD
Monday, July 17, 2017, at 10:00 a.m. in Room 113
State Capitol, Sacramento, California

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BOND ITEMS

BOND ITEM—1

DEPARTMENT OF CORRECTIONS AND REHABILITATION (5225)
JAIL PROJECT
SAN BENITO COUNTY

Authority: Sections 15820.91 – 15820.917 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 Allocation

\$15,053,000

BOND ITEMS

STAFF ANALYSIS—1

Department of Corrections and Rehabilitation
Jail Project
San Benito 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 an approximately 24,000 square foot medium security jail facility on approximately 2.6 acres of a greater 21± acres of county owned property located in the city of Hollister. This facility will provide approximately 72 beds and will include housing, program, medical, custody, and administrative space. The new building will be dependent on the existing detention facility for several core operational components, including food and laundry services.

The housing space will be approximately 12,400 square feet and will include six dorm style rooms with approximately 12 beds per room, dayroom and program space, two multi-purpose/classrooms, two interview rooms, office space, a central control room, and support services space. An enclosed, secure outdoor exercise area will be attached to the new housing.

The healthcare services space will be approximately 1,800 square feet and will include office space, an inmate waiting area with restrooms and showers, an examination room, a medical supply/records room, a medical cell, a medical treatment ward, and storage space.

The intake and release space will be approximately 5,200 square feet and will include a staff lobby, office space, and restrooms; a pre-booking/multi-purpose room; booking processing space; a medical exam/interview room; holding and safety cells; a transfer cell; dress-out stations; and support services space. This area will also include an exterior sallyport and vehicular turnaround driveway.

The administrative space will be approximately 4,400 square feet and will include office space, briefing and training rooms, a conference room, a staff break room, support services space, and a public lobby with video visitation space.

This project will include, but not be limited to, electrical; plumbing; mechanical; computerized heating, ventilation, and air conditioning; security; and fire protection systems; as well as all necessary appurtenances. The hard exterior of the facility, composed of concrete and steel for long-term durability, will provide the secure perimeter.

Funding and Project Cost Verification

This project is not within cost. Section 15820.913 of the Government Code (AB 900) appropriates \$870,074,000 lease revenue bond financing authority to partially finance the design and construction of local jail facilities. Award of this funding to individual counties is administered by the Board of State and Community Corrections (BSCC). The BSCC has conditionally awarded \$15,053,000 from this appropriation to San Benito 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 May 10, 2013, the Board established the scope, cost, and schedule of this project, allocating \$15,053,000 of the \$870,074,000 lease revenue bond financing authority appropriated in section 15820.913 of the Government Code to partially finance the design and construction of this project. On August 13, 2014, the Board approved the preliminary plans, for a total estimated project cost of \$16,571,000. Subsequent to that action, a new project cost estimate was prepared in association with the completion of working drawings. Based on this revised estimate, the current total estimated project cost is \$20,949,000, which includes a potential deficit of \$5,103,000.

\$16,571,000	Total authorized project cost
\$20,949,000	Total estimated project cost
\$15,053,000	State funds previously allocated: \$570,000 for preliminary plans, \$715,000 for working drawings, \$13,768,000 for construction (\$12,381,000 contract, \$619,000 contingency, \$143,000 A&E, and \$625,000 agency retained)
\$793,000	Local funds previously allocated: \$430,000 for acquisition/study, \$30,000 for preliminary plans, \$72,000 for working drawings, \$261,000 for construction (\$42,000 A&E and \$219,000 other project costs)
\$5,103,000	Local costs potential deficit: an increase of \$68,000 for working drawings and an increase of \$5,035,000 for construction (an increase of \$4,795,000 contract and \$240,000 contingency)

CEQA

A Notice of Determination was filed with the San Benito County Clerk on July 11, 2013, and the 30-day statute of limitations expired without challenge.

Due Diligence

A Summary of Conditions Letter for this project was completed on September 2, 2014, and no issues that would adversely affect the beneficial use and quiet enjoyment of the project were identified.

Project Schedule

Approve preliminary plans	August 2014
Complete working drawings	February 2017
Start construction	August 2017
Construction complete	December 2018

Staff Recommendation: Adopt resolution.

MINUTES

Consider approving the minutes from the June 12, 2017 Public Works Board Meeting.

Staff has reviewed the minutes from the June 12, 2017 Public Works Board Meeting and recommends approval of those meeting minutes.

Staff Recommendation: Approve minutes from the June 12, 2017 Public Works Board Meeting.

CONSENT ITEMS

CONSENT ITEM—1

JUDICIAL COUNCIL OF CALIFORNIA (0250)
A.F. BRAY COURTHOUSE
CONTRA COSTA COUNTY

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

Consider accepting real property through a transfer of title

CONSENT ITEMS

STAFF ANALYSIS ITEM—1

Judicial Council of California
A.F. Bray Courthouse
Contra Costa County

Action Requested

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

Scope Description

This project is within scope. The requested action would authorize the acceptance of a transfer of title of the A.F. Bray Courthouse (Court Facility) pursuant to that certain Transfer Agreement between the Judicial Council of California (Council) and the County of Contra Costa (County) for the Transfer of Responsibility for Court Facility, dated December 29, 2008 (“Transfer Agreement”). The Transfer Agreement had provided that the Council would take title to the Court Facility after the County satisfied its obligation to pay off bond debt that encumbered the Court Facility; the County has satisfied the bond obligation, and is now ready to convey the property to the state. The Court Facility, built in 1989, is located at 1020 Ward Street, Contra Costa County, California, and consists of approximately 0.7 acres of property, improved with a three-story building, basement, and associated landscaping. This will be a no-cost transfer of title; the Council has been responsible for the funding and operation of the Court Facility.

The County will jointly occupy the building space with the Council pursuant to the Transfer Agreement and the Joint Occupancy Agreement. The County Exclusive Use Area in the Court Facility will consist of approximately 5,732 square feet (sf) and the Court Exclusive Use Area in the Court Facility will consist of approximately 33,861 sf.

The County approved the Transfer Agreement to transfer title and responsibility of the Court Facility to the state on December 22, 2008, and authorized the Chairman of the County Board of Supervisors to execute the Transfer Agreement, Grant Deed, and any other documents necessary for the transfer of responsibility and title to the Court Facility to the state.

The Transfer Agreement requires that delivery of title to the property be free and clear of any mortgages or liens. Concurrently with the transfer of title to the Court Facility, the Council will purchase an owner's policy of title insurance for the Court Facility from the title company.

The County has agreed to indemnify the state against any known conditions that existed in, on, or under the real property during the period of their ownership.

The County has agreed to indemnify the Council for any liability imposed on the Council pursuant to the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. Sec. 9601 et seq.), or related provisions for conditions at the time of transfer whether known or not known that existed in, on, or under the real property.

The County and Council will each be responsible for the operation and maintenance of their exclusive areas of the building.

This acquisition meets the priority set forth in Government Code Section 65041.1(a) because it promotes continued use of an existing structure located in an urban-infill, already developed area served by existing utilities, public transportation, streets, and is in close proximity to the populations served.

In accordance with the Trial Court Facilities Act of 2002 (Act), the transfer includes the same amount of parking that served the Court Facility in October 2001. City public parking has been the only parking available to the Court since prior to 2001. As a part of the transfer agreement, the County is reserving two access easements for existing walkways located along the westerly, and easterly side of the building, between the Martinez Adult Detention Facility and the Court Facility. The County will continue to provide first come first reserved parking spaces to the Superior Court in County owned parking lots in the downtown area.

Funding and Project Cost Verification

This project is within cost. The County shall not be entitled to compensation for any equity value in the square footage occupied by the Superior Court in the Court Facility pursuant to the Act. The only costs associated with acceptance of this no-cost acquisition are the staff costs to process the acceptance.

CEQA

A Notice of Exemption was filed with the State Clearinghouse on October 25, 2016, and the 35-day statute of limitations expired without challenge.

Project Schedule

The anticipated close of escrow is August 2017.

Condition of Property

Phase 1 Environmental Site Assessment (ESA)—A Phase I ESA report was completed in October 2016 that included an evaluation of significant environmental, health, and safety conditions impacting the interior and exterior of the Court Facility. In preparing the Phase I ESA, a visual inspection of the Court Facility was performed to detect any apparent hazardous conditions in, on, or about the Court Facility, and the historical uses of the real property were reviewed. No other on or off site concerns were identified as part of the review of the database report and regulatory websites. Based on the information gathered, no further action is recommended at this time.

Building Assessment—The Council conducted an initial site visit of the Court Facility in August 2007 to assess the general condition of the property. The Judicial Council took responsibility for the facility as of January 1, 2009 and has been responsible for the operations and maintenance of their share of the building since that date. The County is also responsible for maintaining their

portion. Staff has since made numerous additional visits to the site to monitor the condition of the Court Facility.

Seismic Safety Assessment—A seismic safety assessment was performed and the Court Facility was given a seismic safety rating of IV and deemed acceptable for transfer.

Other

- The Council is not aware of any lawsuits pending concerning the property.
- There is no relocation assistance, historic issues, or implied dedication associated with this transfer of title.

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

CONSENT ITEMS

CONSENT ITEM—2

**DEPARTMENT OF FORESTRY AND FIRE PROTECTION (3540)
WOODLAKE FOREST FIRE STATION
TULARE COUNTY**

Authority: Government Code Section 14669

Consider authorizing acquisition and acceptance of title

CONSENT ITEMS

STAFF ANALYSIS ITEM—2

Department of Forestry and Fire Protection
Woodlake Forest Fire Station
Woodlake, Tulare County

Item Pulled

CONSENT ITEMS

CONSENT ITEM—3

**DEPARTMENT OF GENERAL SERVICES (7760)
NEW “O” STREET OFFICE BUILDING PROJECT
SACRAMENTO COUNTY**

*Authority: Government Code Sections 14691-14697
Chapter 14, Statutes of 2017, Item 7760-301-0668(2)*

Consider recognizing a scope change.

CONSENT ITEMS

STAFF ANALYSIS ITEM—3

Department of General Services
New “O” Street Office Building Project
Sacramento 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 demolition of the existing vacant California Department of Food and Agriculture (CDFA) Annex building, abatement and removal of all asbestos and lead materials, and constructs a 10-story office building at 1215 O Street in Sacramento. The new building will be approximately 339,000 total gross square feet (GSF), and will include office, assembly, storage, building support, parking, and commercial food service space. Of this amount, approximately 255,000 GSF will be office space with an expected building capacity of 1,150 employees. It is anticipated that the building will house staff from the Health and Human Services Agency, the Department of State Hospitals, and the Department of Developmental Services. The project scope also includes removal of the three-story sky-bridge that connects the CDFA Annex building to the CDFA Headquarters building (1220 N Street), and reconstruction of the CDFA Headquarters south façade.

In March 2017, the State Public Works Board authorized the Department of General Services to begin developing Performance Criteria for the New “O” Street Office Building Project. At that time, the project scope included the installation of photovoltaic panels covering the roof of the new building, and on the canopy on an adjacent parking lot in order to achieve the goal of a Zero Net Energy (ZNE) building. However, during the development of the Performance Criteria, the project team determined it would be more cost-effective to utilize offsite solar generation through SMUD’s Solar Shares program, in lieu of the photovoltaic panels planned for the adjacent parking lot. The team further determined that the use of offsite solar generation would provide flexibility to potentially add panels in the future—if needed—to achieve the ZNE goal. It is anticipated that this scope change will result in reduced project costs of approximately \$3.6 million.

On June 26, 2017, the Department of Finance notified the chairs of the Joint Legislative Budget, the Senate Appropriations, and Assembly Appropriations committees of its intent to approve the

scope change and recommend that the State Public Works Board recognize this revised scope no sooner than 20 days from that date.

Funding and Project Cost Verification

This project is within cost. Chapter 31, Statutes of 2016 (SB 836) established the State Project Infrastructure Fund (SPIF) for the renovation or replacement of state office buildings. \$8,372,000 has been allocated from SPIF for planning and studies, and for development of performance criteria. Chapter 14, Statutes of 2017 (AB 97), Item 7760-301-0668 (2) appropriated \$266,038,000 lease revenue bond funding for the design-build phase of the project.

\$274,410,000	Total authorized project cost
\$8,372,000	Project costs previously allocated: \$2,100,000 project planning and studies, \$6,272,000 performance criteria.
\$272,310,000	Project cost to be allocated: \$266,038,000 design-build (\$226,138,000 contract, \$6,784,000 contingency, \$5,756,000 A&E, and \$27,360,000 other project costs)

CEQA

Environmental review for this project is currently underway. The draft Environmental Impact Report (EIR) was made available for public review on April 18, 2017, with the final EIR posted for public review on July 26, 2017.

Real Estate Due Diligence

Real Estate due diligence for this project is currently under review and will be completed prior to seeking approval of performance criteria.

Project Schedule

Approve performance criteria	November 2017
Start design-build	March 2018
Complete design-build	March 2021

Staff Recommendation: Recognize a scope change.

CONSENT ITEMS

CONSENT ITEM—4

DEPARTMENT OF GENERAL SERVICES (7760)
SACRAMENTO REGION: R STREET PARKING STRUCTURE
SACRAMENTO COUNTY

Authority: Chapter 14, Statutes of 2017, Item 7760-301-0666

Consider authorizing site selection.

CONSENT ITEMS

STAFF ANALYSIS ITEM—4

Department of General Services
Sacramento Region: R Street Parking Structure
Sacramento County

Action Requested

If approved, the requested action will authorize site selection.

Scope Description

This project is within scope. The requested action will allow the Department of General Services (DGS), in partnership with the Capitol Area Development Authority (CADA), to enter into negotiations to acquire two parcels of land, known as Sacramento County Assessor's Parcel Numbers 006-0266-016-0000 and 006-0266-017-0000. Current DGS-managed state garages in Sacramento have a waiting list of approximately 2,500 state employees. This project will help alleviate this problem, and will provide additional parking to support the planned construction of two new state office buildings (the Natural Resources Headquarters Building and the O Street Office Building). The structure will provide 800 parking stalls, electric vehicle charging stations, retail shops on the ground floor, and after hours parking to support the retail establishments along the R Street Corridor. The project also includes demolition of the existing 38,000 gross square foot R Street Warehouse, which was constructed in 1952 and purchased by the state in 1999 as a site for a future parking structure.

Funding and Project Cost Verification

This project is within cost. Chapter 14, Statutes of 2017 authorized \$1,660,000 Service Revolving Fund for DGS, in partnership with the CADA, to acquire two parcels of land, known as Sacramento County Assessor's Parcel Numbers 006-0266-016-0000 and 006-0266-017-0000, to accommodate the R Street Parking Structure project.

\$1,660,000	Total authorized project cost
\$1,660,000	Project costs to be allocated: \$1,660,000 acquisition

CEQA

A Notice of Exemption will be filed prior to the acquisition of the properties. CADA plans to perform an Initial Study/Mitigated Negative Declaration for the construction of the R Street Garage.

Real Estate Due Diligence

A Summary of Conditions Letter for this project was completed on June 20, 2017 and no issues that would adversely affect the beneficial use and quiet enjoyment of the project were identified. A Phase I Environmental Site Assessment prior to the acquisition of the property was recommended.

Project Schedule

Approve acquisition	December 2017
Approve performance criteria	August 2017
Start design-build	March 2018
Complete design-build	October 2019

Staff Recommendation: Authorize site selection

ACTION ITEMS

ACTION ITEM—1

CALIFORNIA HIGHWAY PATROL (2720)
SAN BERNARDINO: AREA OFFICE REPLACEMENT – BRYN MAWR SITE
SAN BERNARDINO COUNTY
DGS Parcel No. 10871

Authority: Chapter 318, Statutes of 2016, Item 2720-301-0044(5)
Chapter 14, Statutes of 2017, Item 2720-301-0044(5)

Consider authorizing acquisition

ACTION ITEMS

STAFF ANALYSIS ITEM—1

California Highway Patrol
San Bernardino Area Office Replacement – Bryn Mawr Site
San Bernardino County

Action requested

If approved, the request would authorize acquisition.

Scope Description

This project is within scope. This request will authorize the California Highway Patrol (CHP) to purchase approximately 5.3 acres of land in the City of Loma Linda, San Bernardino County, for the construction of a replacement area office. The parcel is located northwest of the intersection of Redlands Boulevard and Bryn Mawr Avenue (the Property). The replacement area office will include an office building, an auto service building with car wash bay, a fuel island, a property storage building, a radio antenna tower, a generator, and gas tanks.

Funding and Project Cost Verification

This project is within cost. Item 2720-301-0044(5) of the Budget Act of 2016, as amended by Chapter 318, Statutes of 2016, provides \$5,369,000 for the acquisition and performance criteria phases of this project. While not being recognized at this time, the Department of General Services has indicated that estimates for the design–build phase costs have increased by \$1,013,000. Design-build phase costs will be reexamined upon the completion of performance criteria.

While within budgeted authority, the property is being acquired at a cost of \$3,463,665, which is \$693,665 greater than the the appraised value of \$2,770,000. Although the appraisal included comparable sales in the area, the property owner indicated that a nearby parcel was not included, as that property was still in escrow. Based on this recent sale, the owner stated an unwillingness to sell below \$3,463,665. Though is is generally not desirable to pay over market value, the search for acceptable property for the CHP replacement office in San Bernardino has extended nearly a year longer than anticipated. As CHP has unique site requirements (easy freeway access, no railroad tracks, radio coverage, etc) that complicate the site identification process, staff

is concerned that finding and acquiring an alternate site could delay the project by at least one year. Assuming 5 percent escalation on design-build expenses, such a delay would increase project costs by \$1.7 million. Therefore, staff recommends moving forward with the acquisition.

\$38,523,000	Total authorized project costs
\$38,322,000	Total estimated project costs
\$1,704,000	Project costs previously allocated: \$220,000 acquisition and \$1,484,000 preliminary plans
\$36,618,000	Project costs to be allocated: \$3,464,000 acquisition, \$33,154,000 design-build(\$27,661,000 contract, \$830,000 contingency, \$1,757,000 A&E, \$407,000 agency retained, and \$2,499,000 other project costs)
\$201,000	Anticipated project savings: \$183,000 acquisition and \$18,000 preliminary plans.

CEQA

A Notice of Exemption for acquisition was filed with the State Clearinghouse on June 9, 2016, and the 35-day statute of limitations expired without challenge.

Project Schedule

Estimated close of escrow: September 2017

Condition of Property Statement

In September 2014, the Department of General Services (DGS) visited the Property. The parcel is a graded, undeveloped lot situated in a primarily commercial/light industrial block approximately 750 feet south of Interstate 10, 3.4 miles east of Interstate 215, and 1.5 miles southeast of the Santa Ana River. Land use to the north and west is primarily commercial/light, to the east primarily residential, and to the south primarily medical. The San Bernardino Airport is located approximately 2 miles to the north.

Phase I Environmental Site Assessment (ESA) Summary

A Phase I ESA was completed in June 2016 and reviewed by DGS-Environmental Services Unit (ESU) staff.

Available records indicate that the property was developed for agricultural use sometime prior to 1938 and has been vacant since the late 1980s. Having never been further developed, there are no indications or historical records of former buildings, underground or aboveground storage tanks, wastewater clarifiers, sumps, disposal pits, or other potential sources of subsurface contamination.

Based on the subject Phase I ESA, one Recognized Environmental Condition (REC) was identified at the site related to organochloride pesticides (OCP) and elevated arsenic due to previous agricultural use. However, Phase II investigation did not raise any concerns with the condition of the site.

Other:

- The State Public Works Board approved site selection for this property on November 14, 2016.
- The Property can be acquired with the funds available and in accordance with legislative intent.
- The site meets the requirements of CHP.

- An approximately 80 foot electrical pole line easement (Southern California Edison) exists in the northeast corner of the Property. DGS has contacted SCE who has expressed their willingness to work with DGS on relocating the easement to the perimeter of the Property.
- There are no historic issues and no implied dedication associated with these properties.
- No relocation assistance is required.
- DGS is not aware of any lawsuits pending concerning the properties. The Property Acquisition Agreement requires delivery of title to the property free and clear of any mortgages or liens.
- The proposed project location is consistent with the state's planning priorities in accordance with Government Code Section 65041 et seq, as the sites selected support efficient development patterns near existing developed areas with adequate transportation and other essential utilities and services

Staff Recommendation: Authorize acquisition.

ACTION ITEMS

ACTION ITEM—2

**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 four assessor’s parcel in full or in part.

Fresno, Kings and Kern Counties	
High Speed Rail Authority Parcel Number	Assessor Parcel Number (APN)
Fresno County	
MF-10-0936	433-010-03U
Kings County	
FB-16-0172	016-200-053
Kern County	
FB-15-0352	072-170-39
FB-15-0313	072-170-40

ACTION ITEMS

STAFF ANALYSIS ITEM—2

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 four 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 1,600 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 Project 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 1,600 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.

High Speed Rail (HSR) parcel MF-10-0936 is needed for a realignment of N. Weber Avenue between W. Ashlan Avenue and N. Brawley Avenue and HSR parcel FB-16-0172 is needed to extend the Houston Avenue grade separation further west than originally designed.

HSR parcel FB-15-0352 consists of two Assessor's Parcel Numbers (APN), 072-170-18 and 072-170-39, and adjacent HSR parcel FB-15-0313 consists of APNs 072-170-03 and 072-170-40. However, different APNs, 072-170-34 and 072-170-35, reflecting prior lot lines, were site selected at the May 20, 2015 Board meeting instead of APN 072-170-39 and 072-170-40. As this lot line change predated the May 20, 2015 Board meeting, it is necessary to site select both properties. The overall High Speed Rail parcels, FB-15-0352 and FB-15-0313, are needed for the Kimberlina Avenue grade separation and for track work between Kimberlina Avenue and Jack Avenue.

For this 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 four assessor's parcels in full or in part.**

ACTION ITEMS

ACTION ITEM—3

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

*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 rescinding the following Resolution of Necessity (RON) authorizing the use of eminent domain to acquire the following property:

1) RON 2015-0220, adopted January 2017

Martella 1 Property

Authority Parcel Numbers: FB-16-0175-1, FB-16-0175-2, FB-16-0175-3, FB-16-0175-4, FB-16-0181-1, and FB-16-0181-2

Assessor Parcel Numbers: 016-200-035 and 016-200-005

ACTION ITEMS

STAFF ANALYSIS ITEM—3

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

Action Requested

If approved, the requested action would rescind one RON authorizing the use of eminent domain.

Martella 1 Property: On January 13, 2017, the Board adopted Resolution of Necessity 2015-0220 authorizing the use of eminent domain to acquire a portion of the Martella 1 property. Since that time, there has been a design change that affects the nature of this acquisition and requires that the owner be provided a new first written offer. Staff notes that a second Martella property, FB-16-0200, had RON 2017-0002 adopted at the January 13, 2017 meeting. The status of that RON is not affected by this action.

Staff Recommendation: Approve the rescission of the one RON authorizing the use of eminent domain.

ACTION ITEMS

ACTION ITEM—4

**HIGH SPEED RAIL AUTHORITY (2665)
INITIAL OPERATING SEGMENT, SECTION 1
FRESNO, TULARE, 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. Sethi Property (Fresno County)**
Authority Parcel Numbers: MF-10-0116-1 and MF-10-0116-4
Assessor Parcel Number: 510-100-41

- 2. Alpaugh Irrigation District Property (Tulare County)**
Authority Parcel Numbers: FB-54-0512-1; FB-54-0516-1, FB-54-0516-2, FB-54-0516-01-01, FB-54-0517-1, and FB-54-0518-1
Assessor Parcel Numbers: 313-050-009, 313-060-002, 311-090-032, and 311-090-033

- 3. Raven Family Property (Fresno County)**
Authority Parcel Numbers: FB-10-0474-1, FB-10-0474-3, FB-10-0474-4, FB-10-0474-6, and FB-10-0474-7
Assessor Parcel Number: 056-030-47S

ACTION ITEMS

STAFF ANALYSIS ITEM—4

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

Action Requested

Adopt two Resolutions of Necessity authorizing the use of eminent domain to acquire properties totaling approximately 33.8 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 1,600 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 Project 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 July 2016 and April 2017, the various owners were provided with a first written offer to purchase the subject property, as required by Government Code section 7267.2. 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 June 27, 2017 and June 29, 2017, Notices of Intent to adopt a Resolution of Necessity were mailed to the respective property owners. These notices were sent in accordance with Code of Civil Procedure section 1245.235.

Property Specific Information:

1. Sethi Property (Fresno County)
Authority Parcel Numbers: MF-10-0116-1 and MF-10-0116-4
Assessor Parcel Number: 510-100-41

Item Pulled

2. Alpaugh Irrigation District Property (Tulare County)
Authority Parcel Numbers: FB-54-0512-1; FB-54-0516-1, FB-54-0516-2, FB-54-0516-01-01, FB-54-0517-1, and FB-54-0518-1
Assessor Parcel Numbers: 313-050-009, 313-060-002, 311-090-032, and 311-090-033
Partial Acquisition: Approximately 16.75 acres (11.03 acres in fee, 5.72 acres in easement)

This property will be needed for construction of the HSTS between Avenue 88 and the Alpaugh rail spur, and for an access along to the rail spur to the HSTS.

3. Raven Family Property (Fresno County)
Authority Parcel Numbers: FB-10-0474-1, FB-10-0474-3, FB-10-0474-4, FB-10-0474-6, and FB-10-0474-7
Assessor Parcel Number: 056-030-47S
Partial Acquisition: Approximately 17.08 acres (16.71 acres in fee, 0.37 acre in easement)

This property will be needed for construction of the E. Davis Avenue Grade Separation and the HSTS between S Fowler Avenue and E. Davis Avenue.

Staff Recommendation: Adopt two Resolutions of Necessity authorizing the use of eminent domain to acquire properties totaling approximately 33.8 acres.

OTHER BUSINESS

- 1. Consider authorizing an interagency agreement with Department of General Services' Contracted Fiscal Services for accounting services.**

ITEM PULLED

REPORTABLES

TO BE PRESENTED AT MEETING