



AGENDA WITH ANALYSIS

STATE PUBLIC WORKS BOARD

Friday, February 10, 2017, at 10:00 a.m. in the
Redwood Room at Capitol Place
915 L Street
Sacramento, California

I.	Roll Call		
II.	Bond Items	Page	2
III.	Approval of minutes from the January 4 and January 13, 2017 meetings		
IV.	Consent Items	Page	6
V.	Action Items	Page	9
VI.	Other Business	Page	22
VII.	Reportables	Page	22

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, five days prior to the meeting.

BOND ITEMS

BOND ITEM—1

**DEPARTMENT OF FORESTRY AND FIRE PROTECTION (3540)
ACADEMY: CONSTRUCT DORMITORY BUILDING
AMADOR COUNTY**

*Authority: Chapters 47 and 48, Statutes of 2006, Item 3540-301-0660(5), as reappropriated by the Budget Acts of 2008, 2009, 2011, 2013, and 2016
Chapters 10 and 11, Statutes of 2015, Item 3540-301-0660(1)*

Consider adoption of a resolution to:

1. Authorize actions to be taken to provide for interim financing and declare the official intent of the Board to reimburse certain capital expenditures from the Public Buildings Construction Fund from the proceeds of the sale of bonds.
2. Authorize the sale of lease revenue bonds.
3. Approve the form of and authorize the execution and delivery of a Project Delivery Agreement between the Department of General Services and the Board, with the consent of the Department of Forestry and Fire Protection.

Total Bond Appropriations

\$14,784,000

BOND ITEMS

STAFF ANALYSIS ITEM—1

Department of Forestry and Fire Protection
Academy: Construct Dormitory Building
Amador 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, approve the form of and authorize the execution and delivery of a Project Delivery Agreement, and approve other related actions.

Scope Description

This project is within scope. This project includes the construction of an approximately 20,000 square foot 85-bed dormitory, with 41 two-bed dorm rooms, 3 one-bed dorm rooms, a student lounge, 2 study/recreation rooms, parking, utilities, generator, trash enclosure, covered patio, and walkway. Site work will include grading, relocation and installation of underground utilities, site drainage, retaining walls, paving, curbs, sidewalks, landscaping, and fencing. The project will also abate and demolish three 1940s-era modular buildings. This project is being designed and constructed to meet U.S. Green Building Council – LEED Silver standards.

Funding and Cost Verification

This project is not within cost. A total of \$14,784,000 lease revenue bonds has been appropriated for this project. As previously reported in the December 2013 approved scope change item and the 2015-16 Capital Outlay Budget Change Proposal, providing an additional appropriation for this project, an updated estimate would be prepared at the end of working drawings. Working drawings are complete and the updated estimate has been prepared. The Department of General Services has informed us that costs may have increased associated with California Construction Cost Index updates, which had not been accounted since the project was re-activated; however, the project will not be augmented until the final bids come in and the final costs are known.

\$ 14,784,000 total authorized project costs

\$ 2,166,250 project costs previously allocated: \$1,183,000 preliminary plans, \$977,000 working drawings, and \$6,250 other unexpended funds that will be expended during the construction phase

\$ 12,617,750 project costs to be financed: \$12,617,750 construction (\$10,272,600 contract, \$533,100 contingency, \$10,000 Agency Retained, \$992,800 A&E, and \$815,500 other project costs)

CEQA

A Notice of Determination was filed with the State Clearinghouse on October 23, 2013, and the 30-day statute of limitations expired on November 22, 2013.

Real Estate Due Diligence

A Summary of Conditions memo was completed on July 9, 2013, and no issues that would affect the beneficial use and quiet enjoyment of the project were identified.

Project Schedule

Approve preliminary plans	March 2015
Complete working drawings	January 2017
Estimated construction start	May 2017
Estimated construction completion	November 2018

Staff Recommendation: Adopt resolution.

BOND ITEMS

BOND ITEM—2

**DEPARTMENT OF FORESTRY AND FIRE PROTECTION (3540)
SAN MATEO/SANTA CRUZ UNIT HEADQUARTERS—RELOCATE AUTOMOTIVE SHOP
SANTA CRUZ COUNTY**

*Authority: Chapters 268 and 269, Statutes of 2008, Item 3540-301-0660(2), as
reappropriated by the Budget Acts of 2009, 2011, 2013, and 2016
Chapters 10 and 11, Statutes of 2015, Item 3540-301-0660(4)*

Consider adoption of a resolution to:

1. Authorize actions to be taken to provide for interim financing and declare the official intent of the Board to reimburse certain capital expenditures from the Public Buildings Construction Fund from the proceeds of the sale of bonds.
2. Authorize the sale of lease revenue bonds.
3. Approve the form of and authorize the execution and delivery of a Project Delivery Agreement between the Department of General Services and the Board, with the consent of the Department of Forestry and Fire Protection.

Total Bond Appropriations

\$12,135,000

BOND ITEMS

STAFF ANALYSIS ITEM—2

Department of Forestry and Fire Protection
San Mateo/Santa Cruz Unit Headquarters: Relocate Automotive Shop
Santa Cruz 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, approve the form of and authorize the execution and delivery of a Project Delivery Agreement, and approve other related actions.

Scope Description

This project is within scope. This project includes the construction of a new automotive shop facility that will include a 5-bay vehicle repair facility with covered vehicle wash rack and filtration system, vehicle lifts, parts storage and equipment, generator/fire pump building, and a storage building. Site improvements will include site demolition, grading and paving, fire suppression water, storage tank, new utilities, covered fire pump test pit, above ground fuel vault, site fencing, site lighting, photovoltaic system, footing for radio tower, and landscaping.

Funding and Cost Verification

This project is not within cost. A total of \$12,135,000 lease revenue bonds has been appropriated for this project. The Department of General Services has informed us that costs may have increased associated with California Construction Cost Index updates; which had not been accounted for since the project was re-activated; however, the project will not be augmented until the final bids come in and the final costs are known.

\$12,135,000 total authorized project costs

\$ 2,500,146 project costs previously allocated: \$1,043,690 preliminary plans (\$30,000 agency retained), \$868,690 working drawings (\$10,000 agency retained), and \$587,766 other unexpended funds that will be expended during the construction phase.

\$9,634,854 project costs to be financed: \$9,634,854 construction (\$8,120,300 contract, \$443,700 contingency, \$925,120 A&E, \$693,500 other project costs, and \$40,000 agency retained)

CEQA

A Notice of Determination was filed with the State Clearinghouse on August 8, 2014, and the 30-day statute of limitations expired on September 8, 2014.

Due Diligence

A summary of conditions memo was completed on June 16, 2014, and no issues that would affect the beneficial use and quiet enjoyment of the project were identified.

Project Schedule

Approve preliminary plans	February 2015
Complete Working Drawings	February 2017
Estimated construction start	June 2017
Estimated construction completion	December 2018

Staff Recommendation: Adopt resolution.

CONSENT ITEM

CONSENT ITEM—1

**CALIFORNIA HIGHWAY PATROL (2720)
EL CENTRO AREA OFFICE REPLACEMENT, 2802 S. 4th STREET SITE
IMPERIAL COUNTY
DGS Parcel Number 10869**

Authority: Chapter 318, Statutes of 2016, Item 2720-301-0044(2)

Consider authorizing site selection.

CONSENT ITEM

STAFF ANALYSIS ITEM—1

California Highway Patrol
El Centro Area Office Replacement – 2802 S. 4th Street Site
Imperial 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 an approximately 7.2 acre site for construction of a California Highway Patrol (CHP) replacement area office. The site is located in the southeast corner of a larger 20-acre parcel located at the intersection of State Highway 86 (aka S. 4th Street) and W. Danenberg Drive in the city of El Centro, Imperial County. 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 Cost Verification

This project is within cost. Item 2720-301-0044(2) of the Budget Act of 2016, as amended by Chapter 318, Statutes of 2016, provides \$2,855,000 Motor Vehicle Account (MVA) for the acquisition phase and \$1,477,000 for the performance criteria phase of the project.

CEQA

A CEQA determination for the selected site will be completed prior to acquisition authorization.

Project Schedule:

The anticipated close of escrow is April 2017.

Condition of Property Statement

On May 20, 2016, the Department of General Services (DGS) visited the property located at 2802 S. 4th Street in the City of El Centro, Imperial County, California. The property was used for agriculture in the past but is currently fallow and unimproved apart from a former welding

shop immediately adjacent to the northeast corner and a residential/agricultural holding in the southeast corner. The site is located south of downtown El Centro, in the partially developed block bounded by Wake Avenue and Interstate 8 to the north, West Horne Road to the south, South 4th Street (California State Route 86) to the east, and South Clark Road to the west. The greater parcel is bounded by a large vacant lot to the north, by residential properties to the south, by South 4th Street and commercial properties to the east, and by 6th Street and residential properties to the west.

Based on the results of the Phase I Environmental Site Assessment (summarized below), the site appears to be compatible with CHP's proposed use of the property as a field office.

Phase I Environmental Site Assessment (ESA) Summary

A Phase I Environmental Site Assessment (ESA) was completed in September 2016 and reviewed by DGS-Environmental Services (ES) staff. The ESA was found to be in accordance with the American Society for Testing and Materials (ASTM) Standards E1527-13.

From 1937 through 1974, the site was used exclusively for agriculture, as was most of the surrounding area. At some time between 1953 and 1974 a corrugated metal welding shop and possibly metal working shop was built adjacent to the northeast corner of the site, fronting onto South 4th Street. The structure is currently being used for storage.

The site is not located within the administrative boundary of an oil or gas field and there are no known oil or gas wells close enough to have impacted the site. Naturally occurring radon levels in the site vicinity are expected to be low and within regulatory agency criteria. The site does not feature any Underground Storage Tanks, sumps, pits, or other subsurface features often associated with hazardous releases.

One Recognized Environmental Condition (REC) was identified as follows:

REC 1 – Possible Impacts Attributable to Welding. Adjacent to the northeast corner of the site was a commercial welding/metalworking shop for at least 30 years, from the 1950s through the 1980s. No records pertaining to the nature and scale of the former metal working operations were available for review, therefore it is not known whether and to what extent they involved hazardous substance use. Metal working often involves degreasing or otherwise cleaning metal parts, painting, and sometimes plating. Absent additional information, the potential for hazardous substance releases from past metalworking operations is considered a REC for Phase I ESA purposes. Although the welding shop is not within the area of acquisition, there exists the potential for vapor intrusion from possible solvents dumped around the site. If present, the vapors can migrate a fair distance in the subsurface.

OTHER ENVIRONMENTAL FEATURES (OEFs)

OEFs are potential environmental features or conditions that do not meet the ASTM definition of a REC, but which may warrant mention in a comprehensive Phase I ESA. Based on the subject Phase I ESA, four OEFs have been identified at the site, as summarized below. To minimize possible confusion, the REC and OEF identification numbers are sequential.

OEF 2 – Residual Agricultural Impacts. The site was used for agricultural purposes for at least 30 years, from before 1937 to 1974. No records pertaining to the nature of the former agricultural operations were available for review; however, it is possible that pesticides and/or herbicides were applied for weed and pest control purposes. The potential for residual pesticides and herbicides, including arsenic, in near-surface soil is considered an OEF for Phase I ESA purposes.

OEF 3 – Residential Septic System. The existing residential structure has been located in the southeast corner of the property since the 1930s and is reportedly served by a septic system. While the septic system is unlikely to have resulted in subsurface contamination requiring investigation or remediation, it is considered an OEF for Phase I ESA purposes.

OEF 4 – Vehicles Around Residence. Multiple abandoned vehicles and other motorized equipment and parts were observed on the eastern portion of the property. While there is no indication that petroleum, oil, and/or lubricants were released from the vehicles or equipment, they are considered on OEF for Phase I ESA purposes.

OEF 5 – Sitewide Litter and Debris. Numerous piles of litter and debris were observed throughout the property, including empty containers that may have contained hazardous substances. While there is no indication that hazardous liquids were released from these containers, they and the rest of the debris are considered on OEF for Phase I ESA purposes.

No Controlled RECs or Historical RECs were identified at the site.

Based on the available data from the Phase I ESA, DGS has contracted for a Phase II Site Investigation to be conducted at the site.

Other:

- It is anticipated that the purchase price will not exceed the estimated fair market value of the property as determined by a DGS approved appraisal. The Property can be acquired with the funds available and in accordance with legislative intent.
- The site meets the requirements of the CHP.
- There are no historic issues or implied dedication involved with this project.
- No relocation assistance is required.
- Initial discussions with both Caltrans and the City of El Centro indicate that there will likely be infrastructure development requirements that will result in the State contributing to the installation of a traffic light addition and right turn lane at the corner of South 4th Street (Hwy 86) and W. Danenberg Drive. Also the City may require limited paving of the southern border of the site to connect W. Lancaster Road to the proposed W. Danenberg intersection.
- DGS is not aware of any pending lawsuits concerning the property. The Property Acquisition Agreement will require delivery of title to the property free and clear of any mortgages or liens.
- The proposed acquisition is consistent with the state's planning priorities in accordance with Government Code Section 65041 et seq., as the site supports efficient development patterns near existing developed areas with adequate transportation and other essential utilities and services.

Staff Recommendation: Authorize site selection.

ACTION ITEMS

ACTION 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:

- a) **authorizing site selection**
- b) **recognizing an anticipated deficit**

ITEM PULLED

ACTION ITEMS

ACTION ITEM—2

**HIGH SPEED RAIL AUTHORITY (2665)
INITIAL OPERATING SEGMENT, SECTION 1
MADERA AND FRESNO 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 three assessor’s parcels in full or in part.

Madera and Fresno Counties	
High Speed Rail Authority Parcel Number	Assessor Parcel Number (APN) or Property Location Description
Madera County	
MF-20-1057	048-270-007
Fresno County	
FB-10-0880	High Speed Train Line at Cole Slough, between APN 056-090-15s and APN 056-090-09
FB-10-0893	466-206-51T

ACTION ITEMS

STAFF ANALYSIS ITEM—2

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

Action Requested

If approved, the requested action would authorize site selection of three 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 in Madera County reflects excess land that would be left isolated upon the acquisition of two adjacent parcels. Site selection of Cole Slough parcel in Fresno County is necessary in order to acquire an easement necessary to construct a bridge over the slough. The remaining parcel in Fresno County, APN 466-206-51T, was inadvertently left off last month's site selection, and is in proximity to the IOS-1 and the planned Fresno high-speed rail station. Currently it is used for landscaping within the City of Fresno. While the parcel may not be immediately needed by the state, its location is ideal for parking for the future Fresno station

For these properties, other than APN 466-206-51T, the CEQA and NEPA processes were completed in 2012 or 2014. APN 466-206-51T is currently outside of the footprint of the project, but CEQA and NEPA will be amended to incorporate this parcel prior to any development. 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 three assessor's parcels in full or in part.

ACTION ITEMS

ACTION ITEM—3

**HIGH SPEED RAIL AUTHORITY (2665)
CALIFORNIA HIGH SPEED RAIL SYSTEM PLANNING
LOS ANGELES COUNTY**

Assessor's Parcel Number: 5173-017-008
High Speed Rail Parcel: LO-19-0001

*Authority: Chapters 20 and 21, Statutes of 2013, Item 2665-301-0890 (1)
Chapters 20 and 21, Statutes of 2013, Item 2665-301-6043 (1)
Chapter 25, Statutes of 2014, Item 2665-301-3228 (1)
Section 39719(b)(2) of the Health and Safety Code
Section 39719.1 of the Health and Safety Code*

Consider authorizing site selection.

ACTION ITEMS

STAFF ANALYSIS ITEM—3

High Speed Rail Authority
California High Speed Rail System Planning
Los Angeles County

Action Requested

If approved, the requested action would authorize site selection.

Scope Description

This project is within scope. California High Speed Rail System Planning consists of planning activities necessary for 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. Authorized planning activities are defined in Streets and Highway Code Section 2704.08(g), which states that up to \$675,000,000 from the High Speed Passenger Train Fund may be for:

“...environmental studies, planning, and preliminary engineering activities, and for (1) acquisition of interests in real property and right-of-way and improvement thereof (A) for preservation for high-speed rail uses, (B) to add to third-party improvements to make them compatible with high-speed rail uses, or (C) to avoid or to mitigate incompatible improvements or uses; (2) mitigation of any direct or indirect environmental impacts resulting from the foregoing; and (3) relocation assistance for property owners and occupants who are displaced as a result of the foregoing.”

Funding and Cost Verification

This project is within cost. Up to \$675,000,000 in High Speed Passenger Train Funds may be used for systemwide planning. In addition, \$511,376,000 in federal funds (Item 2665-301-0890, Budget Act of 2013 as reappropriated by Item 2664-491, Budget Act of 2016) and \$52,100,000 in local funds may be applied towards the Phase 1 component of the HSTS planning, and Chapter 25, Statutes of 2014, provides an additional \$58.6 million Greenhouse Gas Reduction Fund for this same purpose. Finally, 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. Phase 1 planning is an authorized use of these funds.

Background

The High Speed Rail Authority's (Authority) 2016 Business Plan specifies its approach for sequentially implementing the Phase 1 high-speed rail system that will connect the Los Angeles Basin with the San Francisco Bay Area. As part of this implementation planning, over the past few years the Authority has conducted extensive planning and environmental work for a high-speed rail station at Los Angeles Union Station (LAUS) in downtown Los Angeles. In April 2016, the Authority published Supplemental Alternatives Analysis (SAA) reports for the Burbank to Los Angeles project section and the Los Angeles to Anaheim project section. High-speed rail station options at LAUS were identified in these SAA reports. All HSR station alternatives being advanced at LAUS include platforms at grade within the LAUS train yard.

LAUS was originally designed as a "stub-end" rail facility, or dead-end station with no through-train operational capability. However, the Link Union Station (Link US) project, a Los Angeles County Metropolitan Transportation Authority project, is being designed to meet the long-term regional rail needs at LAUS by extending tracks south over the US-101 freeway, and creating a new loop track that will provide improved operational flexibility for rail service. The subject property, located at 718 and 728 Commercial Street, is necessary to close the gap between LAUS and rail lines south of US-101 and adjacent to the Los Angeles River, thereby creating the loop proposed by the Link US project. These improvements will accommodate the LAUS run-through tracks and future high-speed rail operations between LAUS and Anaheim.

American Recovery and Reinvestment Act (ARRA) grant funds of \$32 million were allocated in January 2010 for the preservation and acquisition of LAUS property and right-of-way, to ensure that the long-term use of LAUS for high-speed rail service was secured, the required features were available and dedicated for high-speed rail operations, and the Authority could participate in and benefit from future station development initiatives. A Cooperative Agreement was signed by the Authority and the Federal Railroad Administration (FRA) in December 2010 that specified this intent to preserve right-of-way at LAUS for future high-speed rail operations. The \$32 million grant funds specified for these purposes expire in September 2017.

For this property, it is anticipated that a draft Environmental Impact Report will be available in June 2017. Due to the proximity of this property to LAUS, the Authority expects it will be with the preferred alignment of the Los Angeles to Anaheim segment.

Staff Recommendation: Authorize site selection.

ACTION ITEMS

ACTION ITEM—4

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

Authority Parcel Number: FB-10-1020 (1903 Mariposa Ave.)
Assessor's Parcel Numbers: 466-215-20T

*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 acquisition.

ACTION ITEMS

STAFF ANALYSIS ITEM—4

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

Action Requested

If approved, the requested action would authorize acquisition of property for the High Speed Rail project.

Scope Description

This project is within scope. The Initial Operating Segment, Section 1 (IOS-1) is expected to be approximately 120 miles starting near Madera (north of Fresno) 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 1,300 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.

CEQA

In order to choose the HSTS preferred alignment and identify the parcels to be acquired, the Authority, in accordance with CEQA and the National Environmental Protection Act (NEPA), has completed and certified both a Program level and Project level Environmental Impact Report/Environmental Impact Statement (EIR/EIS). The parcels subject to this Easement Acquisition Agreement are within either the Merced to Fresno or Fresno to Bakersfield design segment. For these two design segments, the CEQA and NEPA processes were completed in 2012 and 2014, respectively.

Contracts Requiring Board Approval

The real property proposed for acquisition is owned by the former redevelopment agency (former RDA) of the City of Fresno (City). The City has entered into a purchase and sales agreement with the successor agency to the former RDA (Successor Agency) for the purchase of the property from the Successor Agency (Agreement). The Authority seeks to assume the City's rights, title, obligations and interest held by the City under the Agreement to acquire the property from the Successor Agency (Assumption Agreement). On or around January 20, 2017, section 8.8 of the Agreement was amended by the City and Successor Agency to provide that venue for any action to enforce or interpret the Agreement or any rights and duties under the Agreement shall be in Sacramento County, California. The Board has adopted a resolution delegating acquisition authority to designated staff for certain HSTS acquisitions that conform to a Board-approved standard contract. The Assumption Agreement and the Agreement fall outside the scope of this delegation because they contain non-standard clauses substantively different from the standard contract. Therefore, Board approval is required for the acquisitions.

This parcel is being acquired on a "protection" basis to avoid having development occur that would substantially increase the cost to the State when needed for the Fresno station. The parcel is needed to provide necessary surface parking for HSTS riders. Prior to construction of the station, the current use as a parking lot will continue with no land use changes until the final details are completed on the station. Revenue will be generated and be utilized by the Authority for other project purposes.

Staff Recommendation: **Authorize acquisition through the Assumption Agreement to assume the rights, title, obligations, and interest held by the City under the Agreement as amended on or around January 20, 2017.**

ACTION ITEMS

ACTION ITEM—5

**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—5

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

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.

ITEM PULLED

ACTION ITEMS

ACTION ITEM—6

**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 2015-0016, adopted March 2015
Lohse Property (Kings County)
Authority Parcel Number: FB-16-0053
Assessor Parcel Number: 014-020-006**

ACTION ITEMS

STAFF ANALYSIS ITEM—6

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.

Lohse Property: On March 13, 2015, the Board adopted Resolution of Necessity 2015-0016, authorizing the use of eminent domain to acquire a portion of the Lohse property. Since that time, there have been design changes and the property is no longer necessary for the project.

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

ACTION ITEMS

ACTION ITEM—7

**HIGH SPEED RAIL AUTHORITY (2665)
INITIAL OPERATING SEGMENT, SECTION 1
MADERA, 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
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. SunnyGem Property (Kern County)**
Authority Parcel Numbers: FB-15-0159-1, FB-15-0159-2, FB-15-0159-3,
FB-15-0159-4, FB-15-0159-5, FB-15-0159-8, FB-15-0159-9, FB-15-0159-10
FB-15-0159-11, FB-15-0159-12, and FB-15-0159-13
Assessor Parcel Numbers: 487-250-01, 487-250-12, 487-250-13, 487-250-23, and
487-250-24
- 2. Hall/Allen Property (Kings County)**
Authority Parcel Numbers: FB-16-0312-1, FB-16-0312-2, FB-16-0312-01-01, and
FB-16-0312-02-01
Assessor Parcel Number: 034-040-006
- 3. Steel Structures Property (Madera County)**
Authority Parcel Numbers: MF-20-1051-1, MF-20-1051-2, MF-20-1051-3,
MF-20-1051-4, and MF-20-1051-5
Assessor Parcel Numbers: 035-102-038 and 035-102-39
- 4. Torres Property (Madera County)**
Authority Parcel Numbers: MF-20-1225-1, MF-20-1225-2 and MF-20-1225-3
Assessor Parcel Number: 037-030-003
- 5. Talavera Property (Madera County)**
Authority Parcel Numbers: MF-20-1159-1 and MF-20-1159-2
Assessor Parcel Number: 036-240-017
- 6. Sullivan Property (Kings County)**
Authority Parcel Numbers: FB-16-0038-1, FB-16-0038-2, FB-16-0038-3,
FB-16-0038-01-01, and FB-16-0039-1
Assessor Parcel Numbers: 002-190-001 and 002-190-002
- 7. Padilla Property (Madera County)**
Authority Parcel Numbers: MF-20-1224-1 and MF-20-1224-2
Assessor Parcel Number: 037-030-002

ACTION ITEMS

STAFF ANALYSIS ITEM—7

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

Action Requested

Adopt seven Resolutions of Necessity authorizing the use of eminent domain to acquire properties in Madera, Kern, and Kings Counties, totaling approximately 39 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 or an offer has been made to some but not all of the owners of record because some of the owners cannot be located with reasonable diligence.

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 February 2015 and November 2016, 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 January 20, 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. SunnyGem Property (Kern County)
Authority Parcel Numbers: FB-15-0159-1, FB-15-0159-2, FB-15-0159-3, FB-15-0159-4, FB-15-0159-5, FB-15-0159-8, FB-15-0159-9, FB-15-0159-10, FB-15-0159-11, FB-15-0159-12, and FB-15-0159-13
Assessor Parcel Numbers: 487-250-01, 487-250-12, 487-250-13, 487-250-23, and 487-250-24
Partial Acquisition: Approximately 7.23 acres total (6.91 acres in fee and 0.32 acre in easement)

This property will be needed for the construction of the HSTS between McCombs Avenue and the Paso Robles Highway (SR-46).

2. Hall/Allen Property (Kings County)
Authority Parcel Numbers: FB-16-0312-1, FB-16-0312-2, FB-16-0312-01-01, and FB-16-0312-02-01
Assessor Parcel Number: 034-040-006
Full Acquisition: Approximately 1.97 acres in fee

This property will be needed for the construction of the HSTS between 5½ Avenue and Niles Avenue.

3. Steel Structures Property (Madera County)
Authority Parcel Numbers: MF-20-1051-1, MF-20-1051-2, MF-20-1051-3, MF-20-1051-4,
and MF-20-1051-5
Assessor Parcel Numbers: 035-102-038 and 035-102-39
Partial Acquisition: Approximately 0.12 acre in easement

This property will be needed for the construction of an access easement and public utility easements adjacent to the Avenue 15½ grade separation.

4. Torres Property (Madera County)
Authority Parcel Numbers: MF-20-1225-1, MF-20-1225-2 and MF-20-1225-3
Assessor Parcel Number: 037-030-003
Partial Acquisition: Approximately 1.57 acres total (1.51 acres in fee and 0.06 acre in easement)

This property will be needed for the construction of the Avenue 17 grade separation.

5. Talavera Property (Madera County)
Authority Parcel Numbers: MF-20-1159-1 and MF-20-1159-2
Assessor Parcel Number: 036-240-017
Partial Acquisition: Approximately 0.16 acre total (0.15 acre in fee and 0.01 acre in easement)

This property will be needed for the construction of the Road 26 grade separation.

6. Sullivan Property (Kings County)
Authority Parcel Numbers: FB-16-0038-1, FB-16-0038-2, FB-16-0038-3,
FB-16-0038-01-01, and FB-16-0039-1
Assessor Parcel Numbers: 002-190-001 and 002-190-002
Partial Acquisition: Approximately 26.09 acres in fee

This property will be needed for the construction of the HSTS between Dover Avenue and Excelsior Avenue and for the construction of the Dover Avenue/S 8th Street grade separation.

7. Padilla Property (Madera County)
Authority Parcel Numbers: MF-20-1224-1 and MF-20-1224-2
Assessor Parcel Number: 037-030-002
Partial Acquisition: Approximately 1.58 acres total (1.45 acres in fee and 0.13 acre in easement)

This property will be needed for the construction of the Avenue 17 grade separation.

Staff Recommendation: Adopt seven Resolutions of Necessity authorizing the use of eminent domain to acquire properties totaling approximately 39 acres.

OTHER BUSINESS

NONE

REPORTABLES

TO BE PRESENTED AT MEETING