



CALIFORNIA STATE
PUBLIC WORKS BOARD

GRAY DAVIS, GOVERNOR

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STATE PUBLIC WORKS BOARD

July 9, 2002

MINUTES

PRESENT:

Ms. Annette Porini, Chief Deputy Director, Department of Finance

Mr. Dennis Dunne, Chief Deputy Director, Department of General Services

ADVISORY MEMBER:

Director, Employment Development Department

LEGISLATIVE ADVISORS:

Assembly Member, Darrell Steinberg

Assembly Member Kevin Shelley

Assembly Member Sally Havice

Senator Richard G. Polanco

Senator Betty Karnette

Senator Wesley Chesbro

STAFF PRESENT:

James Tilton, Administrative Secretary, State Public Works Board, Department of Finance

Jim Lombard, Principal Program Budget Analyst, Department of Finance

Madelynn McClain, Executive Secretary, State Public Works Board

OTHERS PRESENT:

Cindy Spita, Department of Parks and Recreation

Tim Shelley, Senator Karnette's Office

CALL TO ORDER AND ROLL CALL:

Ms. Porini, Chairperson, Chief Deputy Director, Department of Finance at 10:00 am called the meeting to order. Mr. Tilton, Administrative Secretary for the State Public Works Board called the roll. A quorum was established.

BOND ISSUES:

Mr. Tilton reported that there were no bond items.

CONSENT CALENDAR:

Mr. Tilton noted that there were no Consent Items.

ACTION ITEMS:

Mr. Tilton noted that there was one Action Item. Item #1, Department of General Services, Department of Parks and Recreation, Mendocino Headlands, Big River Project. This item is being pulled at the request of the Resources Agency.

Ms. Porini noted that this was not the acquisition, we approved the acquisition in April. Mr. Tilton replied that the item had been approved, since that time an agreement that controls how the property is being used has come forward. Because this is not a normal document, we brought this back to the Board for your consideration.

Ms. Porini said that as it stands now, the acquisition could move forward through the normal process and escrow could close.

OTHER BUSINESS:

Mr. Tilton noted that there were no items of other business.

REPORTABLES:

Mr. Tilton indicated there were no reportables.

NEXT MEETING:

Mr. Tilton noted that the next PWB meeting is scheduled for Friday, July 12, 2002, at 10:00 am in Room 112.

Having no further business, the meeting was adjourned at 10:05 a.m.

BOND ITEMS

BOND – ITEM

No Bond Items.

CONSENT ITEMS

CONSENT – ITEM

No Consent Items.

ACTION ITEMS

ACTION – ITEM 1

DEPARTMENT OF GENERAL SERVICES (1760)
DEPARTMENT OF PARKS AND RECREATION (3790)
MENDOCINO HEADLANDS AND MENDOCINO WOODLANDS STATE PARKS
BIG RIVER PROJECT, MENDOCINO COUNTY
DPR Parcel Number A37100, DGS Parcel Number 10096

Authority: Chapter 106/01, Item 3790-301-0005(28)
Chapter 52/00, Item 3640-301-0005(b)
Chapter 52/00, Item 3640-302-0001(1)
Chapter 52/00, Item 3760-301-0005(2) and (5)
Chapter 52/00, Item 3760-302-0005(2)(S)
Chapter 52/99, Item 3760-301-0001(1)
2002 Budget Bill, Item 2660-102-0890

- a. Consider approval of an agreement of terms and conditions that relate to the acquisition previously approved by the Board.

PULLED.

ACTION ITEMS

STAFF ANALYSIS – ITEM 1

Department of General Services
Department of Parks and Recreation
Mendocino Headlands and Mendocino Woodlands State Parks
Big River Project

Action requested

The requested action will consider approval of an agreement of terms and conditions that relate to the acquisition previously approved by the Board.

Scope Description

This project is within scope. The Department of Parks and Recreation (DPR) received funding to acquire desirable redwood parcels. This project provides for the acquisition of approximately 7,318 acres adjacent to Mendocino Headlands and Mendocino Woodlands State Parks using these funds and other state funds. The other state funds can be used for grants and or capital outlay expenditure to promote salmon habitat restoration, coastal resource enhancements, scenic habitat or recreational lands along the Mendocino Coast, enhancements of coastal resources and for acquisition of open space.

The acquisition of this project was approved by the State Public Works Board (PWB) on April 12, 2002. In addition to the transaction approved at the prior PWB approval, this pending action will also approve a new unrecorded agreement of terms and conditions.

Funding and Cost Verification

This project is within cost. Mendocino Land Trust (MLT) has entered into a purchase agreement with the property owner to acquire the property. MLT will provide \$6,400,500 in private donations toward the purchase. Save-the-Redwoods League (SRL) will provide an additional \$1,000,000 donation. The Federal government has allocated grant funds through the U.S. Fish and Wildlife Service toward this acquisition. Caltrans, through its Transportation Enhancement Activities (TEA) funding, will provide \$1,000,000 toward this project. The Federal government, through the U.S. Fish and Wildlife Service, will provide \$1,000,000 toward this acquisition. Federal and non-federal private corporation funds, through the National Fish and Wildlife Foundation, will provide \$200,000 in funds.

The property can be acquired in accordance with Legislative intent by utilizing private donations of \$7,400,500, the National Fish and Wildlife Foundation contribution of \$200,000 and the Federal contribution of \$1,000,000. State funds will be provided from Chapter 106/01, Item 3790-301-0005 (28); Chapter 52/00, Item 3640-302-0001, Chapter 52/00, Item 3640-301-0005; Chapter 50/99, Item 3760-301-0001 (1); and Chapter 52/00, Items 3760-301-0005(2) and (5), Chapter 52/00, Item 3760-302-0005(2)(S) and the Budget Bill of 2002, Item 2660-102-0890. The total estimated State funded project costs are \$17,032,500.

CEQA

A Notice of Exemption was filed with the State Clearinghouse on October 4, 2001, and the waiting period expired on November 8, 2001.

Project Schedule

The project schedule is as follows:

The anticipated close of escrow is July 2002.

Condition of Property

A Preliminary Site Assessment was performed by a private consultant that was approved by the Department of General Services (DGS). DGS conducted its own site visit of the property in September 2001, and is satisfied with the condition of the property.

Other

- This project was approved by the PWB for site selection on March 8, 2002 and approved for acquisition on April 12, 2002. The acquisition approval did not include approval of the unrecorded Agreement of Terms and Conditions.
- The issue before the Board is consideration of an atypical unrecorded Agreement of Terms and Conditions. To the best of our knowledge, only one such agreement has been approved by the Board (Mill Creek). Staff note that any actions on the land are already subject to administrative and legislative oversight that include public notification. It is not clear that these agreements should become standard practice.
- The State Coastal Conservancy (SCC), DPR, and the Mendocino Land Trust (MLT) are parties to the unrecorded Agreement of Terms and Conditions, with the approval of the Department of General Services (DGS) and the Public Works Board (PWB).
- The Agreement of Terms and Conditions details the intended use of the property for preservation and restoration purposes.
- A private appraiser under contract to MLT appraised the property and the acquisition price does not exceed fair market value approved by DGS staff.
- The Department estimates ongoing operating costs for this acquisition of approximately \$800,000 for approximately 10 PYs and related OEE plus one-time equipment costs of \$550,000. The Department estimates additional immediate public use (IPU) costs of \$50,000

for work associated with inmate crews to do clean-up, materials, and chemical toilets. Requests for staffing, operating and maintenance expenses, and equipment, and IPU will be considered through the normal budget process. In the interim, the Department will absorb operating costs associated with providing limited public access to the property.

- DPR is not aware of any lawsuits pending concerning the property. The property acquisition agreement will require delivery of clear title to the property.
- There is no implied dedication involved in this project.

Staff Recommendation: **Consider approval of an agreement of terms and conditions that relate to the acquisition previously approved by the Board.**

OTHER BUSINESS

REPORTABLES

To be presented at meeting.

Respectfully Submitted,

JAMES E. TILTON
Administrative Secretary

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