



**CALIFORNIA STATE
PUBLIC WORKS BOARD**

ARNOLD SCHWARZENEGGER, GOVERNOR

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STATE PUBLIC WORKS BOARD

April 8, 2005

MINUTES

PRESENT:

Ms. Anne Sheehan, Chief Deputy Director, Department of Finance
Ms. Larry Orcutt, Acting Deputy Director, Department of Transportation
Mr. Rob Cook, Deputy Director, Department of General Services
Ms. Cindy Aronberg, Deputy Controller, State Controller's Office
Mr. Francisco Lujano, Director, Securities Management Division, State Treasurer's Office

ADVISORY MEMBER:

Director, Employment Development Department

LEGISLATIVE ADVISORS:

Assembly Member
Assembly Member Wilma Chan
Assembly Member Lloyd E. Levine
Senator Gilbert Cedillo
Senator Wesley Chesbro
Senator Carole Migden

STAFF PRESENT:

Karen Finn, Administrative Secretary, State Public Works Board
Deborah Cregger, Legal Counsel, State Public Works Board
Kathy Chovan, Legal Counsel, State Public Works Board
Peggy Palmertree, Acting Executive Secretary, State Public Works Board
Brian Dewey, Budget Analyst, Department of Finance
Georgia Johas, Budget Analyst, Department of Finance
Peter Brown, Budget Analyst, Department of Finance
Jacqueline Sapp, Budget Analyst, Department of Finance
Debbie Dills, Budget Analyst, Department of Finance

OTHERS PRESENT:

Rob Kane, Department of Parks and Recreation
Warren Westrup, Department of Parks and Recreation
David Wrightsman, Department of Parks and Recreation
Michael Stephenson, Department of Parks and Recreation
Carolyn Momsen, Department of Parks and Recreation
Rick Stoltz, Department of Parks and Recreation
Geoff Palmertree, State Treasure's Office
Chris Kooyman, State Treasurer's Office
Blessy Torres, Department of General Services
Gerry Clark, Department of General Services

Bob Clark, Department of General Services
Don Tarnasky, Department of General Services
Timothy Patton, Department of General Services
John Donnelly, WEB
Steve Christenson
Mike Saylor
Liz Yokoyama

CALL TO ORDER AND ROLL CALL:

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

APPROVAL OF MINUTES

Ms. Finn reported that staff has reviewed the minutes from the March 11, 2005 meeting and the March 25, 2005 Special Meeting and believe them to accurately represent the actions of the Board.

There were two 20-day letters that were contingent upon the expiration of the notification period of April 11, 2005. The notification period passed without comment and staff recommends approval.

Hearing no objections, the minutes from the March 11, 2005 regular meeting and the March 25, 2005 Special Meeting were unanimously approved.

BOND ISSUES:

Ms. Finn stated that there was one bond item.

Bond Item #1, Department of Forestry and Fire Protection, Weaverville Forest Fire, Trinity County. If approved, the requested action will adopt a resolution authorizing the use of interim financing and the eventual sale of lease revenue bonds. Staff recommends adoption and approval of the resolution.

A motion was made by Ms. Aronberg and Second by Mr. Lujano to approve Bond Item #1. Bond Item #1 was approved by a 5-0 vote.

CONSENT CALENDAR:

Ms. Finn stated that in we are pulling Item #3 and Item #6 from the Consent Calendar to be considered as an action item, in summary the revised Consent Calendar covers Items #2, #4, #5 and #7 through #11 proposes: two requests to authorize site selection, one request to authorize an acquisition of real property through the acceptance of a gift, two requests to approve preliminary plans, and three requests to approve project termination and reversion funding.

There were two 20-day letters for these items: **Item #8, University of California San Diego, Scripps Institute of Oceanography Research Support Facilities,—Scope Change (Terminate Project)**. A 20-day letter was sent to the Legislature on March 21, 2005, and approval was contingent upon the expiration of the notification period on April 11, 2005, without comment.

Item #9 and #10, California State University Pomona, Library Addition and Renovation, Phase I and California State University Hayward, Seismic Upgrade Warren Hall, Scope Change (Terminate Projects). A 20-day letter was sent to the Legislature on March 21, 2005,

and approval was contingent upon the expiration of the notification period on April 11, 2005, without comment.

Staff recommends approval of the revised Consent Calendar Items #2, #4, #5 and #7 through #11.

A motion was made by Mr. Cook and Second by Mr. Orcutt to adopt the Revised Consent Calendar Items #2, #4, #5 and #7 through #11.

The Consent Calendar was adopted by a 3-0 vote.

Ms. Sheehan announced that Bob Frieberg from Senator Chesbro's office was in attendance.

ACTION ITEMS:

Ms. Finn stated that there were three Action Items including Items #3 and #6 from the Consent Calendar and Item #12 was pulled to allow more time to resolve some technical issues regarding the grant deed.

Ms. Finn noted that the Action Item #3 is for the Department of General Services, California Tahoe Conservancy, Tahoe Lake Forest LLC, Placer County, to authorize the acquisition of a parcel of approximately two acres situated just southwest of the corner of North Lake Tahoe Boulevard and Lakewood Lane on Dollar Hill in North Lake Tahoe. The parcel which is separated from the corner by one intervening vacant lot, consists entirely of healthy coniferous forest habitat with a small wetland drainage coursing diagonally through its center. The parcel has no history of development for housing, commercial, or industrial uses. A two acre parcel in Lake Tahoe was being purchased without the standard indemnification and asked Mr. Bob Sleppy to explain the reason and answer questions.

Mr. Bob Sleppy, Department of General Services stated that there was no reason given for not having the standard indemnification. He contacted the Conservancy to find out why there wasn't a standard indemnification and the Conservancy stated that it was a typical parcel.

A motion was made by Mr. Cook and Second by Mr. Orcutt to approve Action Item #3.

Action Item #3 was approved by a 3-0 vote.

Item #6 is for the Department of General Services, Department of Parks and Recreation, Cuyamaca Rancho State Park, Mack Ranch, San Diego County. This item is being presented to the Board because there is an outstanding issue regarding the condition of property. Specifically, ESS has previously noted the existence of two small, two-inch uncapped pipes protruding from the ground on the property. Subsequent investigations have revealed that these pipes are connected to an underground storage tank; however, it is currently unknown what sort of materials were or are being stored in this tank. While the staff analysis indicates that this tank was likely used for water storage, staff recommends the Board approve this item contingent on a final determination that this underground tank does not pose a significant risk.

A motion was made by Mr. Cook contingent on the findings and Second by Mr. Orcutt to approve Action Item #6 contingent on the findings.

Action Item #6 was approved by a 3-0 vote.

Action Item #13 is for the Department of General Services, Department of Parks and Recreation, Sonoma Coast State Beach, Willow Creek, Sonoma County. This item is being presented to the Board because this is a significant new asset for the state. While staff is recommending approval of this item, it should be noted that the acquisition agreement does not include the standard indemnification protections the state normally requires for acquisitions.

However, given the historical use of this property and its current condition, it is unlikely that the acquisition of this property without these standard provisions would present a significant risk.

Although Parks has certified that they will not need any additional support funding to manage this property in the foreseeable future, Parks should present to the Board its management plan for this property. Specifically, Parks should discuss how the proposed permit-based system will likely be administered as well how Parks anticipates managing this property when the grant funds being used to provide for the interim management of this property is depleted in approximately 3 to 5 years.

Ms. Finn stated that although the PWB staff recommends approval of the items, the Department of Parks and Recreation staff would like to present the background for the projects to the Board and explain why the standard indemnification language for the two items was not included in the proposals.

Mr. Warren Westrup, Department of Parks and Recreation gave a brief overview of the project and acknowledged different staff members who had worked on the project

Mr. Pat Rogers, Department of Parks and Recreation talked about the lack of standard indemnification, the permit process and what will happen beyond the five year term where there is existing grant funds that are available, however, the property has been certified that the property is clean. Permits for use of property are set up so anyone can apply on a first come first serve basis. Mr. Rogers also gave a brief overview on how to obtain and the rules for having the permit.

Mr. Rogers addressed what would happen after the five year plan. Mr. Rogers indicated that Land Pass would use their volunteers to help out.

Mr. Orcutt asked what kinds of activities did the permits used for.

Mr. Jonathon Glass, Land Pass, stated that at this time there was no charge for the permits. The permits are for hiking, equestrian and mountain biking.

Mr. Bob Friberg, staff for Senator Chesbro, stated that the Senator has worked hard to see the property was managed through no profit.

A motion was made by Mr. Cook and Second by Mr. Orcutt to approve Action Item #13.

Action Item #13 was approved by a 3-0 vote.

OTHER BUSINESS:

Ms. Finn stated there was no other business.

REPORTABLES:

Ms. Finn indicated that there were two reportable items that Finance staff had approved under the authority delegated by the Board.

NEXT MEETING:

Ms. Finn stated that the next regularly scheduled meeting is set for Friday, May 13, 2005, at 10:00 am, at the State Capitol in Room 112.

Having no further business, the meeting was adjourned at 10:35 a.m.

BOND ITEM

BOND ITEM – 1

DEPARTMENT OF FORESTRY AND FIRE PROTECTION (3540)
WEAVERVILLE FOREST FIRE STATION RELOCATE FACILITY, TRINITY COUNTY
Relocate Facility

Authority: Chapter 379/02, Item 3540-301-0660 (7)
Chapter 208/04, Item 3540-301-0660 (3)

Adopt an amended resolution to:

1. Authorize the sale of the State Public Works Board Lease Revenue Bonds.
2. Approve the form of and the execution and delivery of a Construction Agreement between the Department of General Services and the State Public Works Board, with the consent of the Department of Forestry and Fire Protection.
3. Approve the form of and authorize the execution of a Site Lease between the Department of Forestry and Fire Protection and the State Public Works Board.
4. Approve the form of and authorize the execution of a Facility Lease between the Department of Forestry and Fire Protection and the State Public Works Board.
5. Authorize the use of interim financing to be repaid from the Public Building Construction from the proceeds from the sale of bonds.

Total Estimated Project Costs:

\$2,959,000

APPROVED:
5/0

BOND ITEM

STAFF ANALYSIS – 1

Department of Forestry and Fire Protection
Weaverville Forest Fire Station, Relocate Facility

Action requested

The requested action will adopt an amended resolution authorizing action to be taken to provide for interim financing and the sale of lease revenue bonds.

Scope Description

This project is within scope. The approved project authorizes the construction of a standard CDF 8 bed barracks/mess hall building, two-bay apparatus building, a flammable storage building, fueling facility, upgrade water, electrical, and LPG services, grading and site work; utilities; paving; landscaping; and all appurtenances.

Funding and Cost Verification

This project is within cost. Chapter 379, Budget Act of 2002, and Chapter 208, Budget Act of 2004, provides a total of \$2,552,000 (lease revenue bonds) for the construction phase of this project. A resolution was previously adopted by the Board for this project prior to receiving the second, incremental appropriation for construction. This project is currently being re-bid and is anticipated to award within budget.

\$2,959,000 total authorized project costs

\$2,959,000 total estimated project costs

\$407,000 project costs previously allocated: acquisition \$208,000, preliminary plans \$53,000, and working drawings \$146,000

\$2,408,712 project costs to be allocated: construction \$2,552,000 (\$2,026,000 contract, \$101,000 contingency, \$425,000 A&E and other project costs)

CEQA

A Notice of Determination was filed with the State Clearinghouse on April 6 1999 and the waiting period expired on May 7, 1999.

Project Schedule

The project schedule is as follows:

Complete construction: May 2006

Due Diligence

Due diligence has been completed and no significant issues have been identified.

Staff Recommendation: Adopt resolution.

CONSENT ITEM

CONSENT ITEM – 2

DEPARTMENT OF GENERAL SERVICES (1760)
CALIFORNIA TAHOE CONSERVANCY (3125)
OLD COUNTY ROAD ENVIRONMENTAL PROTECTION
PLACER COUNTY
CTC Project Number 051A, DGS Parcel Number 10241

Authority: *Chapter 208/04; Item 3125-301-6029(4)*

a. **Authorize site selection**

APPROVED:
3/0

CONSENT ITEM

STAFF ANALYSIS ITEM – 2

Department of General Services
California Tahoe Conservancy
Old County Road Environmental Protection

Action requested

The requested action will authorize site selection for this project.

Scope Description

This project is within scope. The Legislature has approved funding for land acquisition pursuant to Section 66907 of the Government Code which includes the purchase of real property or interests therein for the purpose of protecting the natural environment. This request will authorize site selection of the fee simple interest in approximately 18 unimproved acres.

Funding and Cost Verification

This project is within cost. Chapter 208, Budget Act of 2004, Item 3125-301-6029(4) provides \$1,500,000 for land acquisition. The property interest can be acquired with the funds available and in accordance with Legislative intent.

CEQA

A Notice of Exemption was filed with the State Clearinghouse on October 1, 2004, and the waiting period expired on November 5, 2004.

Project Schedule

The project schedule is as follows:

The anticipated close of escrow is June 2005.

Condition of Property

Department of General Services, Environmental Services Section (ESS) staff conducted a site visit to the Old County Road (Sierra Pacific Power) property on March 24, 2005. The 17.84-acre parcel is located in Placer County near Dollar Hill. The acquisition parcel is an elongated, irregular shaped, forested tract of land with limited access. The property, completely forested with second growth red fir and Jeffrey pine, displays some evidence of past logging activities. The acquisition of this parcel will allow consolidation of public lands comprising a portion of the Dollar Creek watershed.

A Phase I Environmental Site Assessment (ESA) report was not available for this property and is not deemed necessary given the physical setting of the parcel, i.e., forested with no improvements. No potential problems with hazardous materials, e.g., ground and/or vegetation staining were observed during the ESS site visit and the property is compatible with the proposed future use.

Other:

- The purchase price shall not exceed estimated fair market value as determined by a DGS approved appraisal.
- The California Tahoe Conservancy ("Conservancy") is not aware of any lawsuits pending concerning the property. The Property Acquisition Agreement will require delivery of title to the property free and clear of any mortgages or liens.
- The property is vacant and unimproved.
- There is no relocation assistance involved with this project.
- There is no implied dedication applicable to this property.
- There is an existing dirt and gravel road over the northerly one-third of the property which the United States Forest Service (USFS) has used over the years for access to their adjoining land. In the past, the property owner has issued the USFS a short-term license agreement for use of the road. The landowner will grant a permanent road easement to the USFS just prior to conveyance of the property to the State. The easement is currently being drafted and will be subject to the State's review prior to close of escrow. The use and terms of the easement will not adversely impact the intended use of the property. The State will take title subject to the road easement.
- The Conservancy's ongoing management obligation will be an annual inspection of the property.

Staff Recommendation: Authorize site selection

CONSENT ITEM

CONSENT ITEM – 3

DEPARTMENT OF GENERAL SERVICES (1760)
CALIFORNIA TAHOE CONSERVANCY (3125)
TAHOE LAKE FOREST LLC, PLACER COUNTY
CTC Project Number 057A, DGS Parcel Number 10275

Authority: Chapter 157/03, Item 3125-301-0005

a. Authorize acquisition

MOVED TO ACTION ITEMS AND APPROVED:
3/0

CONSENT ITEM

STAFF ANALYSIS ITEM – 3

Department of General Services
California Tahoe Conservancy
Tahoe Lake Forest LLC

Action requested

The requested action will authorize acquisition consistent with the staff analysis.

Scope Description

This project is within scope. The Legislature has approved funding for land acquisition pursuant to Section 66907 of the Government Code, which includes the purchase of real property or interests therein for the purpose of protecting the natural environment. This request will authorize site acquisition of approximately 2 acres of fee title for purposes of water quality protection and protecting the natural environment.

Funding and Cost Verification

This project is within cost. Chapter 157, Budget Act of 2003, Item 3125-301-0005, provides \$1,500,000 for the acquisition of land or interests therein. The property interest can be acquired with the funds available and in accordance with Legislative intent.

\$707,500 total estimated project costs

\$7,500 project costs previously allocated: Appraisal review-\$1,000; DGS staff costs - \$2,500; Title and escrow - \$4,000

\$700,000 project costs to be allocated: Land acquisition

Project Schedule

The project schedule is as follows:

The anticipated close of escrow is April 2005.

CEQA

A Notice of Exemption was filed with the State Clearinghouse on October 1, 2004, and expired on November 5, 2004.

Condition of Property

On February 18, 2005, staff from the Department of General Services (DGS) Environmental Services Section (ESS) conducted a site survey of the proposed acquisition of approximately two acres situated just southwest of the corner of North Lake Boulevard (State Highway 28) and Lakewood Lane on Dollar Hill in North Lake Tahoe (Placer County). The subject parcel, which is separated from the corner by one intervening vacant lot, consists entirely of healthy coniferous forest habitat with a small wetland drainage coursing diagonally through its center. While the parcel was probably logged many decades ago, it has no history of development for housing, commercial, or industrial uses.

Adjacent uses include the state highway on the northern boundary, a vacant parcel to the east and residential uses to the south. The property is substantially in a natural condition with the exception of a minor accumulation of road debris (sand, some litter, etc.) along the interface with the state highway. Adjacent property uses include residential and some limited commercial development. While the property survey was conducted in winter, there was good visibility of the land surface and ESS staff is familiar with this property from past surveys of North Shore properties. Given there is no history of industrial uses on or directly adjacent to the parcel, and the surface was free of debris, ESS staff determined a formal Phase I preliminary site assessment was not warranted.

Based on the survey of the property, review of available materials, and knowledge of the area, ESS finds the property has no short or long-term liabilities or conditions that would affect the proposed acquisition.

Other:

- The project was approved for site selection by the State Public Works Board on March 11, 2005.
- The purchase price does not exceed estimated fair market value as determined by a DGS approved appraisal.
- The California Tahoe Conservancy (CTC) is not aware of any lawsuits pending concerning the property. The Property Acquisition Agreement will require delivery of title to the property free and clear of any mortgages or liens.
- The property is vacant and unimproved.
- There is no relocation assistance involved with this project.
- There is no implied dedication applicable to this property.
- It is anticipated that the management of this property will be handled within existing resources. The CTC's ongoing management obligation will be an annual inspection of the property
- The acquisition agreement does not include standard indemnification language. However, based on environmental reviews and historical use of the property, the risk associated with accepting the acquisition without the standard indemnification provisions is relatively low.

Staff Recommendation: Authorize Acquisition

CONSENT ITEM

CONSENT ITEM – 4

DEPARTMENT OF GENERAL SERVICES (1760)
DEPARTMENT OF PARKS AND RECREATION (3790)
SOUTH YUBA RIVER STATE PARK, HUMBUG CREEK, NEVADA COUNTY
DPR Parcel Numbers A41305, DGS Parcel Number 10267

Authority: Chapter 379/02, 0540-101-6029 (5)
Chapter 379/02, 3790-301-6029 (6)

a. Authorize site selection

APPROVED:
3/0

CONSENT ITEM

STAFF ANALYSIS ITEM – 4

Department of General Services
Department of Parks and Recreation
South Yuba River State Park, Humbug Creek

Action requested

The requested action will authorize site selection for this project.

Scope Description

This project is within scope. The Legislature has approved an appropriation for the Secretary for Resources from Proposition 40 to allow for the acquisition of property adjacent to in-holdings within existing public lands along the State Wild and Scenic River Corridor established by the State Legislature in 2000. The Secretary for Resources provided funding to the Department of Parks and Recreation (DPR) from this appropriation for the purchase of property adjacent to federally owned land in this Corridor. This request will authorize site selection for the purchase of approximately 220 acres as an addition to the South Yuba River State Park. This acquisition will eliminate problems associated with private ownership within the Park and prevent the harvest of marketable timber.

Funding and Cost Verification

This project is within cost. Proposition 40, Chapter 379/02, provides \$4,000,000 in funding through the Resources Agency for support, local assistance, or capital outlay project along the Yuba River. Acquisition funding for this property is being provided by the Resources Agency to DPR through an interagency agreement. The funding source for acquisition staff costs is Proposition 40, Chapter 379/02, Item 3790-301-6029(6). The property can be acquired with the remaining funds and in accordance with Legislative intent.

CEQA

A Notice of Exemption was filed with the State Clearinghouse on December 3, 2004, and the waiting period expired on January 7, 2005.

Project Schedule

The project schedule is as follows:

The anticipated close of escrow is May 2005.

Condition of Property

Department of General Services (DGS), Environmental Services Section (ESS) staff conducted a site visit to the Trust for Public Land's (TPL) Humbug Creek property on November 22, 2004. The Department of Parks and Recreation's acquisition consists of approximately 220 acres of undeveloped forest land (APN 03-380-09) located north of the South Yuba River, east of Humbug Creek, and south of Malakoff Diggings State Historic Park in Nevada County, California.

A Phase I Environmental Site Assessment (ESA) report prepared by Youngdahl Consulting Group, Inc., November 2004, was reviewed by ESS staff and found to be in accordance with American Society for Testing and Materials (ASTM) standards. No evidence of recognized environmental conditions in connection with the property was identified in the ESA report.

The property is characterized primarily by mixed conifer and oak scrub interspersed with rocky outcrops and drainage courses. The topography is steep and mountainous. No roads traverse the property. The northeast portion of the property was logged in the early 90's, and the majority of the property was helicopter logged in 2002 (Long Walk Timber Harvest Plan, 2000). The drainage system running throughout the property comprises a portion of the South Yuba River watershed. Adjacent properties consist of forest land in all directions.

An abandoned water ditch with associated rock wall, most likely dating to the gold rush era, appears to be the only known mining feature on the property. Santa Fe Pacific Mining, Inc. (formerly Santa Fe Mining, Inc.), a Kansas Corporation and SFP Minerals Corporation currently own the mineral rights, but do not have the right of access upon, into or through the surface (Phase I ESA report, pg 4). It is unknown at this time whether or not lateral drilling from adjacent properties to the acquisition parcel would be allowed. There is a trail easement for a U.S. Bureau of Land Management walking trail located in the southwest section of the property.

The site visit revealed no improvements, e.g., industrial uses, fuel storage, waste disposal, etc., on the property that would raise a concern for migration of hazardous materials. A four to five foot section of PVC pipe, approximately 12 inches in diameter with both ends crimped/melted shut was found near the abandoned water ditch. It is recommended that the pipe be removed. No potential problems with hazardous materials, e.g., ground and/or vegetation staining were observed during the ESS site visit and the property is compatible with the proposed future use.

Other:

- The purchase price shall not exceed estimated fair market value as determined by a DGS approved appraisal.
- DPR is not aware of any lawsuits pending concerning the property. The Property Acquisition Agreement will require delivery of title to the property free and clear of any mortgages or liens.

- The property is vacant and unimproved.
- There is no relocation assistance involved with this project.
- There is no implied dedication applicable to this property.
- DPR does not anticipate requesting additional support funding for this property. This property is adjacent to an existing state park and is mainly being acquired for the protection of natural resources. However, it is recommended that DPR provide a more detailed management plan for this 220 acre property and properly demonstrate that this property can be managed using existing resources.

Staff Recommendation: Authorize site selection

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CONSENT ITEM

CONSENT ITEM – 5

DEPARTMENT OF GENERAL SERVICES (1760)
DEPARTMENT OF PARKS AND RECREATION (3790)
CHINO HILLS STATE PARK, SAWPA
SAN BERNARDINO COUNTY
DPR Parcel Number A46301, DGS Parcel Number 10210

Authority: Public Resources Codes 5005

- a. **Authorize acquisition of real property through the acceptance of a gift.**

APPROVED:
3/0

CONSENT ITEM

STAFF ANALYSIS ITEM – 5

Department of General Services
Department of Parks and Recreation
Chino Hills State Park, SAWPA

Action requested

The requested action will authorize the acquisition of real property through the acceptance of a gift.

Scope Description

This project is within scope. This request authorizes the Department of Parks and Recreation (DPR) to accept a donation of approximately 322 acres of land as an addition to Chino Hills State Park. The property is located adjacent to the northeastern border of this park. The acquisition of this property will enhance the existing Puente-Chino Hills regional wildlife movement corridor. A conservation easement in favor of the City of Chino restricts development of the property but allows for uses meeting the mission and goals of DPR.

CEQA

A Notice of Exemption was filed with the State Clearinghouse on October 24, 2003, and the waiting period expired on November 28, 2003.

Project Schedule

The project schedule is as follows:

The anticipated close of escrow is April, 2005.

Condition of Property

Department of General Services, Environmental Services Section (ESS) staff conducted a site visit to the proposed 322.02-acre Santa Ana Watershed Project Authority (SAWPA) property addition to the existing Chino Hills State Park, located in the southwestern portion of San Bernardino County, on October 15, 2003. Russ Dingman, Associate Park and Recreation Specialist for the DPR, visited the property in mid-February 2005. Chino Hills State Park has been closed for the past several weeks due to inclement weather, mud slides, and road closures. The acquisition parcel has also been inaccessible, preventing unauthorized access to the property.

The site, which is situated adjacent to the park, is composed of rolling hills with deep valleys, and consists entirely of undisturbed wildlife habitat in its natural state with no observable environmental constraints or concerns. The site has a history of cattle grazing.

The property is described as critical to regional and local wildlife movement patterns, and is part of the Puente-Chino Hills regional wildlife movement corridor. The Prado Basin, which lies directly to the east, supports several sensitive, common, and migratory bird populations. With development pressing in from the north and south, the SAWPA property provides a flyway to the Prado Basin and to the Santa Ana River.

No potential problems with illegal dumping and/or hazardous materials were observed during the initial and follow-up site visits, nor was there evidence of potential hazardous materials sites located in the vicinity. The property and adjacent lands are undeveloped and do not contain improvements (industrial uses, fuel storage, waste disposal, unknown debris, etc.) that would raise a concern for migration of hazardous materials.

Given the unimproved natural condition of the subject property and surrounding parcels, as well as the remote and largely inaccessible location, ESS staff recommends that a Phase I Site Assessment is not necessary.

Other:

- DPR is not aware of any lawsuits pending concerning the property.
- The State will acquire fee title to the real property subject to a conservation easement in favor of the City of Chino.
- The property is vacant and unimproved and there is no relocation assistance involved with this project.
- There is implied dedication applicable to this property through open and notorious public use which does not negatively affect DPR's use of the property.
- The seller, a public agency, is not indemnifying the property; however, DPR asserts that the conditions identified in the DGS/ESS environmental inspection of the property indicate that acquiring the property without the standard indemnification does not pose an exceptional risk to the State.
- DPR anticipates using existing resources to cover property management expenses for the 322-acre addition to the existing 12,500-acre Chino Hills State Park. DPR has certified that no additional resources will be requested to maintain the proposed level of public access and services.

- Any significant changes to public access, development, or services in the future that will be handled through the normal budget process. However, such changes are not being considered at this time.
- The proposed acquisition will consolidate State Parks control of access, allowing for better and more efficient patrols by State Park Rangers. This acquisition will help preserve another tract of land and provide a buffer against private uses around the State Park. Additionally, DPR will partner with volunteers and non-profit groups to assist in the management of this property.

Staff Recommendation: Authorize the acquisition of real property through the acceptance of a gift

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CONSENT ITEM

CONSENT ITEM – 6

DEPARTMENT OF GENERAL SERVICES (1760)
DEPARTMENT OF PARKS AND RECREATION (3790)
CUYAMACA RANCHO STATE PARK, MACK RANCH
SAN DIEGO COUNTY

DPR Parcel Number 007789-77, DGS Parcel Number 10239

Authority: Chapter 157/03, Item 3790-301-6029(10)
Chapter 379/02, Item 3790-301-0890(1)
Chapter 157/03, Item 2660-101-0183

a. Authorize acquisition

MOVED TO ACTION ITEMS AND APPROVED CONTINGENT ON FINDINGS
3/0

CONSENT ITEM

STAFF ANALYSIS ITEM – 6

Department of General Services
Department of Parks and Recreation
Cuyamaca Rancho State Park, Mack Ranch

Action requested

The requested action will authorize acquisition consistent with the staff analysis.

Scope Description

This project is within scope. The Legislature has approved funding for the purchase of interests in lands consistent with Proposition 40, and Federal Trust Fund Project monies without specifying particular parcels. This request will authorize acquisition for the purchase of an approximately 79 acres as an addition to Cuyamaca Rancho State Park, in the County of San Diego.

This acquisition meets the Department's Acquisition guidelines, specifically for Unique Natural Resource area and Expanded Outdoor Recreations Opportunities by offering property that contains at least three sensitive animal species and three species of Special Concern. The sensitive species are the Coastal Whiptail, Red shouldered Hawk and the Turkey Vulture, with the special concern species being the Spotted Owl, Cooper's Hawk and Mountain King snake. In addition, the property provides for expanded outdoor recreational opportunities by serving as a prime site for south-end year round horse camp/day use area, which is addressed in the Cuyamaca Rancho State Park General Plan.

Funding and Cost Verification

This project is within cost. Chapter 157/03, Item 3790-301-6029(10), Chapter 379/02, Item 3790-301-0890(1), and Chapter 157/03, Item 2660-101-0183, will contribute a total of \$1,007,000 (\$447,000 from Proposition 40, \$310,000 from the Federal Trust Fund, and \$250,000 from Caltrans' Environmental Enhancement and Mitigation fund, respectively) for this acquisition in fee simple interest and associated overhead for the real property. The property interest can be acquired with the remaining funds and in accordance with Legislative intent.

\$1,007,000 total estimated project costs

\$2,000 project costs previously allocated: DGS staff costs for appraisal review and staff review

\$1,005,000 project costs to be allocated: \$1,000,000 for acquisition and approximately \$5,000 for title and escrow fees

CEQA

A Notice of Exemption was filed with the State Clearinghouse on July 16, 2004, and the waiting period expired on August 21, 2004.

Project Schedule

The project schedule is as follows:

The anticipated close of escrow is April 2005

Condition of Property

Department of General Services, Environmental Services Section (ESS) staff conducted a site visit to the Mack Ranch acquisition on July 13, 2004 and again on February 7, 2005. The acquisition consists of an approximately 79-acre parcel including buildings located northeast of Descano in San Diego County, California off of State Route 79.

A Phase I Environmental Site Assessment (ESA) report prepared by MAZ Environmental on June 2004 was reviewed by ESS staff and found to be in accordance with American Society of Testing and Materials (ASTM) standards. MAZ Environmental identified NO evidence of recognized environmental conditions with the property but did make the following recommendations:

- Removal of trash and debris located onsite, including debris in and along the creek bed west of the houses.
- Abandon unwanted water wells in accordance with applicable regulations.
- If demolition of any of the houses located onsite is proposed, assess the possible presence of lead-based paint and asbestos in the structures slated for demolition.

Additionally, ESS staff identified the presence of two small, two-inch diameter uncapped pipes near an old derelict foundation. ESS staff recommended the pipes be cut off, an assessment of the possible presence of an underground storage tank, and an assessment of the potential for further investigation.

Anza Borrego Colorado District Park Staff have addressed all concerns raised in the Phase I ESA report. Jim Dice, Sr. State Park Resource Ecologist of the Colorado Desert District has verified in a memo and provided photo documentation that the trash and debris located on site has been removed and the one non-functional well has been properly abandoned. The other two on-site wells were determined to be functioning wells producing water and no action was taken on those wells at this time.

On March 28, 2005, the two small, two-inch diameter pipes were capped by a licensed contractor. Based on the contractor's assessment of the pipes and previous site inspections, DPR suspected that these pipes were at one time connected to an underground water storage tank that was possibly part of a fire hydrant system. A licensed contractor has since determined that the pipes do lead to an underground storage tanks (UST), but did not provide any information regarding what the UST contained. No other environmental concerns have been identified.

Other:

- The State Public Works Board approved this project for site selection on March 11, 2005.
- The purchase price shall not exceed estimated fair market value as determined by a DGS approved appraisal.
- The Department of Parks and Recreation (DPR) is not aware of any lawsuits pending concerning the property. The property acquisition agreement will require delivery of a Corporation Grant Deed to the State free and clear of any liens.
- The subject property is unoccupied and no relocation assistance is required.
- Access to the subject property is via Highway 79.
- DPR anticipates using existing resources to cover property management expenses. In addition, DPR has existing arrangements with volunteer groups to maintain and operate the trails and maintain and/or remove the buildings. This is an approximately 79-acre addition to the existing 25,000-acre Cuyamaca Rancho State Park.
- Any future changes to public access, development, or resource needs are addressed through the normal budget process.
- Grant funds provided through the Federal Environmental Enhancement and Mitigation Program, Chapter 157/03, Item 2660-101-0183, are conditioned upon complying with property management standards and disposition instructions requiring reimbursement of funds if the property is no longer used as intended.
- Because the content of the UST is unknown, ESS staff has been unable to determine if the UST, if left in place, would pose a significant risk to the state. While the state is receiving indemnification from the seller, further investigation of the UST is needed before staff can recommend approval of this project. DPR has indicated that the seller is willing to perform the necessary investigations and excavate the UST if necessary at no cost.

Staff Recommendation: Authorize acquisition, contingent upon a determination by SPWB staff that the condition of the property does not pose a significant risk to the state.

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CONSENT ITEM

CONSENT ITEM – 7

**DEPARTMENT OF GENERAL SERVICES (1760)
DEPARTMENT OF CORRECTIONS (5240)
CALIFORNIA CORRECTIONAL INSTITUTION, TEHACHAPI, DORMS F5, F6, F7, F8**

Authority: Chapter 208/04, Item 1760-301-0768 (2)

- a. Approve preliminary plans**

APPROVED:

3/0

CONSENT ITEM

STAFF ANALYSIS ITEM – 7

Department of General Services
Department of Corrections
California Correctional Institution, Tehachapi, Dormitories F5, F6, F7 and F8

Action Requested

The requested action will approve preliminary plans for this project.

Scope Description

This project is within scope. The project consists of a “Structural Only” retrofit. Architectural, mechanical, electrical and hazardous material costs are limited to incidental work to enable the structural retrofit only. Dormitory Building F is a two-story building with a floor space of approximately 33,900 square feet. It functions as an inmate dormitory. The project includes the following seismic retrofit improvements: 1) addition of new concrete shear wall lengths; 2) fiberwrap on existing concrete and masonry shear wall portions; and 3) concrete moment resisting frames strategically spaced to divide the horizontal span of the roof and floor diaphragms.

Funding and Cost Verification

This project is within cost.

\$3,092,000 total estimated project costs

\$197,000 project costs previously allocated: \$20,000 study and \$177,000 preliminary plans

\$2,895,000 project costs to be allocated: \$243,000 working drawings and \$2,652,000 construction (\$1,691,000 contract, \$118,000 contingency, \$598,000 A&E costs, and \$245,000 guarding costs) at CCCI (4328)

CEQA

A Notice of Exemption was filed with the State Clearinghouse on February 4, 2005, and the waiting period expired on March 10, 2005.

Project Schedule

The project schedule is as follows:

Approve working drawings: April 2005

Complete construction: August 2006

Due Diligence Status

Due Diligence was completed February 25, 2005 and no vesting, title or rights issues were identified.

Staff Recommendation: Approve preliminary plans.

CONSENT ITEM

CONSENT ITEM – 8

UNIVERSITY OF CALIFORNIA (6440)
SAN DIEGO CAMPUS, SAN DIEGO COUNTY
Scripps Institute of Oceanography (SIO) Research Support Facilities

Authority: Chapter 208/04, Item 6440-302-6041 (10)

a. Approve project termination and reversion of funding \$3,426,000

APPROVED:

3/0

CONSENT ITEM

STAFF ANALYSIS ITEM – 8

University of California, San Diego
Scripps Institute of Oceanography (SIO) Research Support Facilities

Action requested

The requested action will authorize the termination and a reversion for this project.

Scope Description

The project is within scope. The SIO Research Support Facilities project provides for the construction of two prefabricated metal buildings totaling approximately 15,285 assignable square feet (asf) of research support space to replace nearly 14,000 asf of deteriorated buildings for maintenance, calibration, staging, and storage of materials and equipment and associated access improvements used in teaching and research expeditions conducted by the Scripps Institute of Oceanography.

Funding and Project Cost Verification

The project is within cost. The 2004 Budget Act (CH 208/2004) appropriated \$3,426,000 from the Higher Education Capital Outlay Bond Fund of 2004 (Bond Fund) for the SIO Research Support Facilities project on the San Diego campus as follows: \$182,000 for preliminary plans, \$157,000 for working drawings, and \$3,087,000 for construction.

UC has requested that the project be terminated and the funding be reverted to the Bond Fund. The funds would be used to address project cost increases, under delegated approval by the State Public Works Board, for other previously authorized capital outlay projects that are experiencing high construction bids. A 20-day legislative notification was provided to the Legislature on March 21, 2005, and the notification period will expire on April 11, 2005.

Funding and Project Cost Verification

\$3,426,000	total estimated project costs
\$182,000	project costs previously allocated: preliminary plans—\$182,000 (State funds)
\$3,244,000	project costs to be allocated: working drawings—\$157,000 (State funds); construction—\$3,087,000 (State funds)
\$3,426,000	proposed reversion

CEQA

The University certifies that the project is in compliance with the requirements of CEQA.

Due Diligence

University of California (UC), on behalf of the Regents of the UC, is vested with the authority for management of the property for the benefit of the university and acknowledges that they have full responsibility for reviewing and clearing due diligence title issues for general obligation bond funded projects.

Project Schedule

Complete construction: July 2006

Staff Recommendation: Approve a reversion for this project contingent on passage of a 20-day letter sent to the Legislature on March 21, 2005.

CONSENT ITEM

CONSENT ITEM – 9

CALIFORNIA STATE UNIVERSITY (6610)

Pomona

Library Addition and Renovation Phase I Project

Authority: Chapter 379/02, Item 6610-302-6028 (20)

a. Approve project termination and reversion of funds \$29,891,000

APPROVED:

3/0

CONSENT ITEM

STAFF ANALYSIS ITEM – 9

California State Polytechnic University, Pomona
Library Addition and Renovation, Phase I Project

Action requested

The requested action will approve a project termination and reversion of funds.

Scope Description

This project is not within scope.

This project as originally proposed would construct a library addition of 135,000 gsf and renovate 23,800 gsf on the ground floor of the existing University Library facility. The addition will provide for 1,068 fte in lecture space. Increased scope is required to renovate 91,092 gsf on the first three library levels to accomplish seismic upgrades, hazardous material abatement and removal of friable material conditions that have worsened since the time the original project scope was developed. A 20-day Legislative notification letter to terminate the project was provided on March 21, 2005, and the notification period will expire on April 11, 2005.

Funding and Cost Verification

This project is not within cost.

The authorized project was approved for preliminary plans, working drawings and construction in the amount of \$33,209,000. Since the time of funding, a number of factors have surfaced revealing that the level of funding was insufficient to construct the project within budget. These factors are:

1. Construction cost escalation.
2. Expansion of the extent of the seismic retrofit of the existing structure from 23,800 gsf to 91,092 gsf.
3. Increased costs and scope required to accomplish hazardous material abatement and friable material conditions.
4. Impacts of the construction requiring interim hazardous material and seismic upgrades pending the completion of the second phase of the project.
5. Additional fire and life safety code improvements.

The CSU requests the termination of the project and the reversion of construction funds of \$29,891,000. Funds to be reverted reflect the expenditure of \$3,318,000 (\$1,452,000 "P", \$979,000 "W", \$887,000 "C").

\$33,209,000 total authorized project cost

\$55,222,000 total estimated project cost

\$3,318,000 project costs previously allocated: preliminary plans \$1,452,000, working drawings \$979,000, construction \$887,000

\$29,891,000 requested reversion

CEQA

A Mitigated Negative Declaration was filed with the State Clearinghouse on December 1, 2002.

Due Diligence

California State University, on behalf of the Board of Trustees, is vested with the authority for management of the property for the benefit of the university and acknowledge that they have full responsibility for reviewing and clearing due diligence title issues for general obligation bond funded projects.

Project Schedule

The project schedule is as follows:

	<u>Original</u>	<u>Proposed</u>
Start construction:	January 2005	January 2006
Complete construction:	October 2006	January 2008

Staff Recommendation: Approve a reversion for this project contingent on passage of a 20-day letter sent to the Legislature on March 21, 2005.

CONSENT ITEM

CONSENT ITEM – 10

CALIFORNIA STATE UNIVERSITY (6610)
CALIFORNIA STATE UNIVERSITY, HAYWARD
Seismic Upgrade, Warren Hall

Authority: Chapter 379/02, Item 6610-301-6041 (2)

a. **Approve project termination and reversion of funds** **\$675,000**

APPROVED:
3/0

CONSENT ITEM

STAFF ANALYSIS ITEM – 10

California State University, Hayward
Seismic Upgrade, Warren Hall

Action requested

The requested action will approve a project termination and reversion of funds.

Scope Description

This project is not within scope.

This project originally proposed to seismically retrofit the 150,000 GSF Warren Hall, a twelve-story, Level 6 seismic hazard rated building. A preliminary feasibility study proposed bracing the concrete frame with steel cladding and installing additional beams and bracing to strengthen the building. Subsequent analysis determined that the scope did not include abatement of hazardous fireproofing material that would create a significant health risk in the event of a seismic event. In addition the scope did not address code compliance and mechanical ventilation renovations. A 20-day Legislative notification letter to terminate the project was provided on March 21, 2005, and the notification period will expire on April 11, 2005.

Funding and Cost Verification

This project is not within cost.

Recent project cost estimates reveal that the cost of steel and other construction materials have risen by 30 percent, driving the cost of the proposed project to where the renovation cost is 84 percent of the cost of a new building. Additionally, the CSU Seismic Review Board concluded that, based on the condition of the building and its proximity to the Hayward fault, the building should be abandoned in total or its profile reduced and replaced with an alternate building on campus. Consequently, CSU requests the termination of the original scope.

\$675,000 total authorized project costs

\$30,571,000 total estimated project cost: P \$675,000; W \$963,000; C \$28,933,000

\$675,000 project costs previously allocated: preliminary plans \$675,000

\$675,000 requested reversion

CEQA

A Notice of Exemption was filed with the State Clearinghouse.

Due Diligence

California State University, on behalf of the Board of Trustees, is vested with the authority for management of the property for the benefit of the university and acknowledge that they have full responsibility for reviewing and clearing due diligence title issues for general obligation bond funded projects.

Project Schedule

The project schedule is as follows:

Original Schedule

Start construction: July 2006

Complete construction: July 2008

Proposed Schedule

Start construction: February 2007

Complete construction: February 2009

Staff Recommendation: Approve a reversion for this project contingent on passage of a 20-day letter sent to the Legislature on March 21, 2005.

CONSENT ITEM

CONSENT ITEM – 11

**CALIFORNIA COMMUNITY COLLEGES (6870)
SAN JOSE-EVERGREEN COMMUNITY COLLEGE DISTRICT
EVERGREEN VALLEY COLLEGE, SANTA CLARA COUNTY**
Arts Complex

Authority: Chapter 208/04, Item 6870-301-6041 (46)

- a. **Approve preliminary plans**

**APPROVED:
3/0**

CONSENT ITEM

STAFF ANALYSIS ITEM – 11

San Jose-Evergreen Community College District
Evergreen Valley College, Santa Clara County
Arts Complex

Action Requested

The requested action will approve preliminary plans for this project.

Scope Description

This project is within scope. The authorized scope of the project constructs a new 42,881 assignable square feet (asf) Arts Complex. The project includes 1,150 asf lecture space, 16,498 asf laboratory space, 2,260 asf office space, 2,031 asf AV/TV space, and 20,942 asf other space. A 450-seat theater is included in the scope of the project.

Funding and Project Cost Verification

The project is within cost.

\$9,624,000 total authorized project costs

\$20,462,000 total estimated project costs

\$9,624,000 state project costs to be allocated: construction \$7,931,000 (\$7,181,000 contracts; \$359,000 contingency; \$391,000 construction management, administration, testing and inspection) at CCI 4100; and equipment \$1,693,000 @ EPI 2564

\$1,709,000 local project costs previously allocated: preliminary plans \$1,039,000; working drawings \$670,000

\$9,129,000 local project costs to be allocated: construction \$9,129,000 (\$8,274,000 contracts; \$414,000 contingency; \$441,000 construction management, administration, testing and inspection) at CCI 4100

CEQA

A Notice of Determination was filed with the State Clearinghouse (#2000112004) on August 17, 2001 and the waiting period expired without comment.

Due Diligence

Community college districts are local entities and the State does not have title to their real property, hence districts acknowledge that they have full responsibility for clearing due diligence issues for general obligation bond projects.

Project Schedule

The project schedule is as follows:

Approve working drawings: April 2005
Complete construction: August 2006

Staff Recommendation: Approve preliminary plans.

ACTION ITEM

ACTION ITEM – 12

DEPARTMENT OF GENERAL SERVICES (1760)
DEPARTMENT OF PARKS AND RECREATION (3790)
INDIO HILLS PALMS, JOSHUA HILLS, RIVERSIDE COUNTY
DPR Parcel Number 007914-77, DGS Parcel Number 10262

Authority: Chapter 106/01, Item 3790-301-0005(29)
Chapter 379/02, Item 3790-301-0005(25)
Chapter 157/03, Item 3790-301-0262(1)

a. Authorize acquisition

PULLED.

ACTION ITEM

STAFF ANALYSIS ITEM – 12

Department of General Services
Department of Parks and Recreation
Indio Hills Palms, Joshua Hills

Action requested

The requested action will authorize acquisition consistent with the staff analysis.

Scope Description

This project is within scope. The Legislature has approved funding for the purchase of interests in lands consistent with Proposition 12 Habitat Acquisition Program and Habitat Conservation Fund, without specifying particular parcels. This request will authorize acquisition of approximately 3,438 acres as an addition to the State's ownership of Indio Hills Palms in the County of Riverside. This acquisition is the second part of larger acquisition project totaling approximately 8,881 acre addition to the Coachella Valley Preserve.

Funding and Cost Verification

This project is within cost. Proposition 12 will contribute \$1,244,000 available under the Habitat Acquisition Program and the Habitat Conservation Fund will contribute \$766,000 for this acquisition. The property interest can be acquired with the funds available and in accordance with Legislative intent.

\$2,010,000 total estimated project costs

2,000 project costs previously allocated: DGS staff costs for appraisal review and staff review

\$2,008,000 project costs to be allocated: \$2,000,000 for acquisition and approximately \$8,000 for title and escrow fees

CEQA

A Notice of Exemption was filed with the State Clearinghouse on May 14, 2004, and the waiting period expires on June 19, 2004.

Project Schedule

The project schedule is as follows:

The anticipated close of escrow is April 2005

Condition of Property

On September 29, 2004, Department of General Services (DGS), Environmental Services Section (ESS) staff conducted an on-site review of the Joshua Hills property, and reviewed the Phase I Environmental Site Assessment (PSA) prepared by Secor International Incorporated for The Nature Conservancy. The proposed use of the 3,438 acre site, located in the north central portion of the Coachella Valley in Riverside County, approximately 7 miles north of Palm Desert, is to protect important ecological habitat and provide a linkage between the Joshua Tree National Park and the Coachella Valley Preserve.

The site location is considered an essential habitat linkage between the Joshua Tree National Park ("Park") located to the north of the property and the Coachella Valley Preserve ("Preserve") located to the south of the property. The property provides the largest block of undeveloped land between the Park and the Preserve. The area surrounding and including the property have been identified as an important linkage area, as well as providing habitat for key animal species (i.e., desert tortoise, Palm Springs pocket mouse, Le Conte's thrasher, and Desert bighorn sheep.)

The property is currently unimproved vacant desert land and consists of desert land with rocks and coarse sand, desert shrubs and wash areas. Areas adjacent to the property consist of primarily vacant desert and mountainous land.

ESS staff notes the PSA has been professionally prepared to standards as defined in the American Society of Testing and Materials (ASTM), and support the findings and conclusions of the report, which were based on records review, user-provided information, on-site reconnaissance, and interviews. The PSA found no evidence of recognized environmental conditions (REC) with the property.

The ESS site visit confirmed the findings of the PSA. No other potential problems with hazardous materials or the condition of the property were observed during the site visit. Based upon the findings of the ESS review and site visit, ESS staff agrees that the property is consistent with intended (preservation) land use.

Other:

- The project was approved for site selection by the State Public Works Board on December 17, 2004.
- The purchase price shall not exceed estimated fair market value as determined by a DGS approved appraisal.
- Mineral rights have been reserved on the property by prior deeds, however, a review of the records of the Department of Conservation and the California Geological Survey indicate no exploration or extraction of minerals in the area.
- The Department of Parks and Recreation (DPR) is not aware of any lawsuits pending concerning the property. The Property Acquisition Agreement will require delivery of title to the property free and clear of any mortgages or liens.
- The subject property is unoccupied and unimproved.
- This acquisition meets 3 of the 8 Department Acquisition guidelines, specifically for Sustainable Ecosystems, Significant Cultural Resources Properties and In-holdings and Adjacent Parcels. The subject property preserves important wildlife corridor links to Coachella Valley Preserve and Joshua Tree National Park, provides additional recreational opportunities to the rapidly growing population of Coachella Valley and western Riverside and San Bernardino Counties, and preserves archeological resources situated within the Indio Hills area.

- DPR has certified that no additional support funds will be needed to manage this property for the intended purpose specified above. While this acquisition does consist of more than 3,400 acres, DPR asserts that this property is completely surrounded by public lands, including land owned by the Bureau of Land Management (BLM), Joshua Tree National Park, and the California Department of Fish and Game (DFG), and that existing resources can be used manage this addition.
- It should be noted that a memorandum of understanding (MOU), which covers the collective management of the Coachella Valley Preserve, including land currently under the jurisdiction of DPR, has been recently amended to include this property. Under this MOU, DPR, BLM, the U.S. Fish and Wildlife Service, DFG, and The Nature Conservancy (TNC), have agreed to cooperatively manage the Coachella Valley Preserve and two associated preserves in the area. Each participant provides specified resources necessary to manage these lands.

Staff Recommendation: Authorize acquisition

ACTION ITEM

ACTION ITEM – 13

DEPARTMENT OF GENERAL SERVICES (1760)
DEPARTMENT OF PARKS AND RECREATION (3790)
SONOMA COAST STATE BEACH, WILLOW CREEK
SONOMA COUNTY
DPR Parcel A7910-01, DGS Parcel 10258

*Authority: Chapter 379/02, Item 3760-301-6029(1)
Chapter 379/02, Item 3790-301-6029(6)
Water Code Section 79565*

a. Authorize acquisition

APPROVED:
3/0

ACTION ITEM

STAFF ANALYSIS ITEM – 13

Department of General Services
Department of Parks and Recreation
Sonoma Coast State Beach, Willow Creek

Action requested

The requested action will authorize acquisition consistent with the staff analysis.

Scope Description

This project is within scope. The Legislature has approved funding for the purchase of interests in lands via Proposition 40 the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund without specifying particular parcels. This request will authorize acquisition of approximately 3,373 acres of biologically diverse landscape of moderate to steeply sloped Coast redwood, Douglas fir forest and rolling grasslands with riparian, estuarine habitat. The property is located in Sonoma County approximately three miles inland from the Pacific Ocean and Highway 1, north of Bodega Bay, south of Jenner, and adjacent to Sonoma Coast State Beach along its western boundary.

Funding and Project Cost Verification

This project is within cost. A total of \$18,406,000 has been provided from several funding sources for this acquisition. The Department of Parks and Recreation (DPR) will provide \$2,242,000, as appropriated by Chapter 379, Budget Act of 2002, Item 3790-301-6029 (6). The Wildlife Conservation Board (WCB) and the State Coastal Conservancy (SCC) are each providing \$4,187,000 in grants to DPR to assist with this acquisition. Additionally, the Sonoma County Agricultural Preservation and Open Space District (SCAPOSD), a local governmental organization, will provide the remaining \$7,790,000 necessary to complete this acquisition. The property can be acquired with the funds available and in accordance with Legislative intent in conjunction with the terms and conditions of the various grants and donations.

\$18,406,000 total acquisition costs

\$1,000 project costs previously allocated (DGS environmental site visit and CEQA document preparation)

\$18,405,000 project costs to be allocated: \$18,350,000 acquisition, and approximately \$54,700 in overhead costs (title and escrow and DGS staff costs)

CEQA

A Notice of Exemption was filed with the State Clearinghouse on August 30, 2004, and the waiting period expired on October 4, 2004.

Project Schedule

The project schedule is as follows:

The anticipated close of escrow is May 2005.

Condition of Property

At site selection, the condition of property statement for the Willow Creek property in Sonoma County indicated environmental due diligence concerns that had to be resolved prior to acquisition. These concerns included the removal of two abandoned cars and clean-up of a few instances of illegal dumping and old fire-ring scars. A subsequent site visit also revealed a concern for securing gates on side roads that were creating nuisance off-road usage.

As of February 1, 2005, the seller has removed both abandoned cars and all associated debris with these sites; the seller has abated the illegal dump sites and fire rings; and the seller has secured the gates on all secondary roads that were of concern. Department of General Services (DGS), Environmental Services Section (ESS) staff finds there are no remaining environmental due diligence concerns with this property that would result in an unacceptable risk to the state. ESS staff also find and confirm there is no need to prepare a formal preliminary site assessment (Phase 1) for this property. As noted in the initial condition of property statement, a formal Phase I assessment would not provide any additional information about this property given it has no past industrial usage or history of on-site storage of hazardous materials. The site surveys conducted during preparation of the condition of property statement are an appropriate and accurate in lieu assessment of this rural forested property.

The Department of Parks and Recreation (DPR) will have staff re-visit the property prior to the close of escrow to confirm that no additional illegal dumping has occurred during the interim period since abatement of the previous conditions of concern; if any additional items are found on the property, DPR will not close escrow until the items are removed and verified by DPR staff.

Other

- The State Public Works Board approved this project for site selection on January 14, 2005.
- This project is significant because this acquisition will provide public protection of approximately 80 percent of the entire Willow Creek watershed and approximately 50 percent of the Freezeout Creek watershed.
- This acquisition meets two major objectives of DPR: (1) preserving and sustaining biologically diverse ecosystems such as the Willow Creek watershed and the Freezeout Creek watershed; and (2) expanding outdoor recreation opportunities adjacent to or nearby existing State Parks such as the coordination of efforts to protect Sonoma County's unique natural habitats, scenic areas and other open space resources of regional importance.
- Non-profit Trust for Public Land (TPL), which has an option to purchase the property with owner Mendocino Redwood Company (MRC), will enter into a purchase agreement with DPR and exercise its option, assign its rights of warranties, representations and indemnification to DPR, and MRC will convey the property directly to DPR, subject to reserving road easements to itself to gain access to its retained property. MRC will also convey to DPR a road easement over a portion of Azalea Road that lies on MRC's lands for vehicular access to property to be conveyed to the State, and a license agreement will be executed by MRC and DPR to allow DPR temporary access (up to ten years) over a bridge on MRC's lands ("Seed Orchard Tract") to cross a portion of Willow Creek until DPR is able to establish its own access across Willow Creek on its own property.
- While the purchase agreement does not include the standard indemnification language the state typically requires for acquisitions, TPL has agreed to pass on all rights of warranties, representation and indemnification provided to TPL under the option agreement with MRC to the state. Given current condition of the property and past uses, DPR asserts that the acquisition of this property without the standard indemnification language does not present a significant risk to the state.
- There is no relocation assistance involved with this project.
- The SCAPOSD will provide approximately 42 percent of the funds to purchase this property and intends to memorialize that the future use of this property is consistent with its conservation and protection goals in the form of a conservation easement. Should the state decide to remove this conservation easement, the state will be required to reimburse the SCAPOSD 42 percent of the market value, which will be estimated at the time the easement is removed, excluding the value of any state improvements.
- The Wildlife Conservation Board and State Coastal Conservancy are each providing \$4,187,000 via grants to the DPR to acquire this property. The grant agreements have been fully reviewed by staff to ensure the terms of the agreements are appropriate. It should be noted that these grants include provisions that require DPR to use the property for only certain broad purposes, including: wildlife habitat preservation, restoration and management, wildlife-oriented education and research, and for compatible public uses as may be consistent with wildlife habitat preservation. These uses are consistent with the DPR's proposed use of the property and are consistent with the DPR's overall mission.
- The SCAPOSD has agreed to grant to the State \$300,000 to assist with initial park development of this acquisition, which cover the immediate public use planning and improvements, including the completion of a general plan, gates, road and trail improvements, and signs.

- Prior to the conveyance to the state, MRC will convey two new road easements to in-holding property owners Fisher and Hennigsen to replace two pre-existing easements that the Fishers and Hennigsens will quitclaim back to the owner. The new easements clarify and expand the rights and responsibilities of the parties.
- DPR is not aware of any lawsuits pending concerning the property. The Property Acquisition Agreement will require delivery of title to the property free and clear of any mortgages or liens.
- There is evidence of a possible implied dedication claim noted by the appraiser at locations off Willow Creek Road, primarily for off-road vehicular use, hiking, and illegal cutting of firewood on occasion; however, the owner has taken affirmative steps to prevent the public from obtaining rights and to make clear the property is off limits to the public, and the appraiser concluded there was no public right established as a result of the trespass.
- The negotiated purchase price is not more than the estimated fair market value as determined by an approved DGS appraisal. While the conservation easement being granted to the SCAPOSD will limit the use of the property, this easement will be granted after the property is purchased by the state and will not affect the property value.
- The County of Sonoma will retain an easement for Willow Creek Road, which is a public road that transects the property. While Sonoma County is responsible for maintenance and safety issues related to public use of this road, fee ownership of the underlying property may open the state to future litigation. However, Parks asserts that the state's liability associated with the road is not significant and that in an effort to further minimize the state's liability, Parks will seek appropriate consultation prior to commencing any roadside improvements, such as physical barriers (e.g. boulders and logs) designed to prevent vehicular trespassing or other undesirable activities.
- Initially, limited public access will be provided via permits conducted through partnership arrangements with LandPaths, a local non-profit organization, and through docent-led tours available to the public on semi-regular basis.
- LandPaths has managed this property for the current owner since 1999, using a permit based system that allows permit-holders to have limited access to the property in exchange for assistance with stewardship. LandPaths has agreed to continue management of this property in a similar manner, in consultation with DPR the SCC, and SCAPOSD, for the next three to five years. Under the current system, permit-holders are required to contribute labor each year on LandPaths-led work days at the Willow Creek property. Additionally, permit-holders help monitor activities on the property by reporting inappropriate activities and are required to file an outing report each day the property is accessed and must follow all property rules.
- Although the specific details of the new management system have not been worked out, the DPR is committed to ensuring that all members of the public will have equal access to the property. Information regarding the permit application process will be made available to the public by contacting LandPaths by telephone or via the internet. The number of permits issued each year will be determined by ongoing consultation between DPR, the SCC, and SCAPOSD. In addition to issuing permits, LandPaths will also provide the following: regular patrols, organize work projects, signage, equipment rentals, and other maintenance and infrastructure expenditures.

- The SCC has agreed to provide LandPaths with a \$300,000 grant that will be used to fund LandPaths' initial management of the Willow Creek property. While LandPaths may be willing to continue management activities beyond the current agreement, it is uncertain if DPR will be able to negotiate an extension of this agreement. In the event DPR is unable to re-new this agreement with LandPaths and is unable to provide the same level of public access, the DPR will continue to provide docent-led tours to the extent volunteers and resources are available.
- Continued limited public access will be provided for the foreseeable future based upon available funding as provided by the partners involved in this project. The partners will continue to write grants, recruit volunteers, and actively seek funding for the continued limited public access, operation, and maintenance of the park in the future.
- DPR understands that additional funding for ongoing maintenance and support for this property may not become available in the foreseeable future. As such, DPR intends to adjust the level of public access and services to fit within the resources available. Any changes to public access, services, development, or resource needs will be addressed through the normal budget process.

Staff Recommendation: Authorize acquisition

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OTHER BUSINESS

OTHER ITEM –

No Other Business.

REPORTABLES

To be presented at meeting.

Respectfully Submitted
By:

KAREN FINN
Administrative Secretary