



CALIFORNIA STATE
PUBLIC WORKS BOARD

ARNOLD SCHWARZENEGGER, GOVERNOR

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STATE PUBLIC WORKS BOARD

August 12, 2005

MINUTES

PRESENT:

Ms. Ann Sheehan, Chief Deputy Director, Department of Finance
Ms. Patricia Kuhar, Department of Transportation
Mr. Barry Hemphill, Deputy Director, Telecommunications Division, 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
Chris Sanford, Secretary, State Public Works Board
Rocel Bettencourt, Principal Program Budget Analyst, Department of Finance
Stephen Benson, Program Budget Analyst, Department of Finance
Brian Dewey, Principal Program Budget Analyst, Department of Finance
Peggy Palmertree, Acting Secretary, State Public Works Board
Chris Lief, Budget Analyst, Department of Finance
Theresa Gunn, Principal Program Budget Analyst, Department of Finance
Matt Schuller, Budget Analyst, Department of Finance
Debbie Dills, Budget Analyst, Department of Finance

OTHERS PRESENT:

Clifford Ham, Administrative Office of the Courts
Gerry Clark, Department of General Services
Bob Clark, Department of General Services
Warren Westrup, Department of Parks and Recreation
Rob Kane, Department of Parks and Recreation
Marianne Wetzel, Department of General Services
Susan Stratton, Department of General Services
Karen Sakala, State Treasurer's Office
Shelley Petavini, Community Colleges
Tim Patton, Department of General Services

CALL TO ORDER AND ROLL CALL:

Ms. Ann Sheehan, Chief Deputy Director, Department of Finance called the meeting to order at 10:00 a.m. 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 June 10, 2005 and July 8, 2005 meetings and believe them to be accurately represent the actions of the Board.

Hearing no objections, the minutes from the June 10, 2005 and July 8, 2005 were unanimously approved.

BOND ISSUES:

Ms. Finn stated that there was three bond items.

Bond Item #1 Department of Justice, Santa Rosa Replacement Laboratory, Sonoma County. The requested action would adopt a resolution authorizing the use of interim financing and the eventual sale of lease revenue bonds. Staff recommended 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.

Bond Item #2, Department of General Services, Judicial Branch, Court of Appeal, Fifth Appellate District, New Courthouse, Fresno County. The requested action would adopt an amended resolution authorizing the use of interim financing and the eventual sale of lease revenue bonds. This project needed an increase in authority of an additional \$5 million so the resolution is necessary to amend the previous resolution. Staff recommended adoption and approval.

A motion was made by Mr. Lujano and Second by Ms. Kuhar to approve Bond Item #2.

Bond Item #2 was approved by a 5-0 vote.

Bond Item #3, Department of Education, State Special Schools, California School for the Deaf, Riverside, Multipurpose/Activity Center, Riverside County. The requested action would adopt an amended resolution authorizing the use of interim financing and the eventual sale of lease revenue bonds. The project needed an increase in authority of an additional \$1 million (for a total of \$6 million) so the resolution was necessary to amend the previous resolution. Staff recommended adoption and approval.

A motion was made by Ms. Aronberg and Second by Mr. Lujano to approve Bond Item #3.

Bond Item #3 was approved by a 5-0 vote.

CONSENT CALENDAR:

Ms. Finn stated the Consent Calendar, in summary, covers items #4 through #9 and proposes: two requests to authorize site selection, one request to authorize an acquisition, one request to approve an augmentation to liquidate construction expenditures, and two requests to approve preliminary plans.

There was one 20-day letter for the above items: **Item #7, Department of General Services, Department of Corrections and Rehabilitation**, California Men's Colony, San Luis Obispo, Buildings B, D, L & Q—Augmentation. A 20—day letter was sent to the Legislature on August 4, 2005, and approval is contingent upon the expiration of the notification period on August 24, 2005 without comment.

Staff recommended approval of the Consent Calendar Items #4 through #9.

A motion was made by Ms. Kuhar and Second by Mr. Hemphill to approve to Consent Calendar.

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

ACTION ITEMS:

Ms. Sheehan stated that there was two Action Items #10 and #11. Item #10 was to approve the acquisition of a parcel in Santa Ana California for the Fourth Appellate District's New Courthouse.

Ms. Lisa Bist, the Mayor Pro Tem of the City of Santa Ana, spoke in favor of approval of the site and gave a brief overview of the area.

Orange County Supervisor Lou Correa talked about the history of the courthouse and how the Judicial Council has now become the primary decision maker of where new courthouses are placed.

Ms. Sheehan expressed thanks for their comments and asked if anyone else had any other comments to add. Ms. Aronberg responded that the State Controller's Office fully supports the staff recommendation and strongly believes that this is the proper placement for the Court.

A motion was made by Ms. Kuhar and Second by Mr. Hemphill for approval of Action Item #10.

Action Item #10 was approved by a 3-0 vote.

Ms. Finn stated Item #11 was to authorize an acquisition of real property for the Department of Parks and Recreation as an addition to the Montana de Oro State Park in San Luis Obispo County through the acceptance of a no cost acquisition.

Ms. Finn asked Parks to briefly explain why the transfer of this property to Parks is in the best interests of the state.

Mr. Warren Westrup from Department of Parks and Recreation told how Parks could do a better job overseeing and managing the area. He presented letters from the Morro Bay National Estuary Program and the Coastal Conservancy in support of this acquisition. He pointed out that it is a very – very low possibility of having any unexploded ordinance from the army.

Ms. Sheehan asked to have Mr. Westrup clarify the liability issue.

Mr. Westrup reported legal suits would first go after the non-profit program but would end up going to the Army as the Army is the responsible party.

Ms. Sheehan asked about the 50 percent mineral interest of the third party.

Mr. Westrup explained that it would be very difficult for any development to build or dig due to all the permits that would be necessary. Mr. Westrup also answered further questions about Parks being able to handle the cost of managing the area as having no problems.

Ms. Finn noted that the state has already paid a majority of the cost via grants and programs to non-profit companies for this and other properties to be purchased and then later brought into State Park control and ownership.

A motion was made by Ms. Kuhar and Second by Mr. Hemphill for approval of Action Item #11.

Action Item #11 was approved by a 3-0 vote.

OTHER BUSINESS:

Ms. Finn noted there are two items of other business proposed for today. Item #12 was an update on the Department of Parks and Recreation McConnell House acquisition project in Columbia. Ms. Finn also noted in June this acquisition was before the Board and staff noted that the terms of the purchase agreement had changed right before the Board meeting and had asked for additional time to review the documents. Because of the timing and the close of the transaction, Parks had asked for the Board to take a contingent action. The Board was provided with information and assurances that the final review revealed no problems. Ms. Finn stated the Board members received a letter from Department of General Services that updated the information and reviewed purchase information.

Ms. Finn stated Item #13 was a resolution to appoint Mr. Brian Dewey as Assistant Administrative Secretary to the Public Works Board.

A motion was made by Mr. Hemphill and Second by Ms. Kuhar to approve Mr. Dewey's position.

The motion was approved 3/0.

REPORTABLES

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

NEXT MEETING:

Ms. Finn stated that the next regularly scheduled meeting is set for Friday, September 9, 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.

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BOND ITEM

BOND ITEM – 1

**DEPARTMENT OF JUSTICE (0820)
SANTA ROSA REPLACEMENT LABORATORY, SONOMA COUNTY**

*Authority: Chapter 324/1998; Item 0820-301-0001(2)
Chapter 50/1999; Item 0820-301-0001(2)
Chapter 3/2002; Item 0820-801-0660
Chapter 38/2005, Item 0820-301-0660(1)*

a. Adopt a resolution to:

1. Authorize the use of interim financing to be repaid from the Public Buildings Construction Fund from the proceeds from the sale of bonds consistent with the increased project authority.
2. Authorize the sale of the State Public Works Lease Revenue Bonds consistent with the increased project authority.

Total Estimated Project Costs: \$9,793,000

**APPROVED:
5/0**

BOND ITEM

STAFF ANALYSIS – 1

Department of Justice
Santa Rosa Replacement Laboratory

Action Requested

The requested action will adopt an amended resolution to authorize interim financing and the sale of lease revenue bonds.

Scope Description

This project is within scope. This project constructs a 14,645 square foot forensic laboratory. The administrative area consists of office space for a staff of 10 including the following: reception area; records file room; copy and supplies room; employee room; conference room; library; showers and lockers; and separate rest rooms for both employees and visitors. The laboratory area includes the following: evidence reception area; evidence viewing room; evidence vault w/walk-in freezer, refrigerator, drying cabinets, drug storage vault, and lab storage; firearms exam area; firearms vault; test fire tank and firing range; general exam area; Serology prep; PCR amplification; trace evidence rooms (2 ea.) and trace microscopy area; instrument room; clean lab room; vehicle exam w/lift; dark room; blood alcohol/intox; and maintenance shop. Site work, parking, and utilities are included.

Funding and Project Cost Verification

This project is within cost. Chapter 3, Statutes of 2002 (\$5,470,000, reverted) and the Budget Act of 2005 (9,793,000) provides \$9,793,000 (lease revenue bonds) for the construction phase of this project. A resolution authorizing actions to be taken for interim financing and the sale of lease revenue bonds was previously adopted by the Board on June 14, 2002 for this project. The amended resolution changes the total project costs consistent with the above.

\$10,844,000 total estimated project cost

\$1,051,000 project costs previously allocated: acquisition \$525,000; preliminary plans \$215,000; working drawings \$311,000

\$9,793,000 project costs to be allocated: construction \$9,793,000 (consisting of \$8,001,000 contract, \$400,000 contingency, \$807,000 A&E costs, \$585,000 other project costs)

CEQA

A Notice of Determination was filed with the State Clearinghouse on February 29, 2000, and the waiting period expired March 31, 2000.

Project Schedule

The project schedule is as follows:

Approve working drawings: July 2005

Complete construction: May 2007

Due Diligence

Due diligence was completed in October 2002.

Staff Recommendation: Approve amended resolution.

BOND ITEM

BOND ITEM – 2

DEPARTMENT OF GENERAL SERVICES (1760)
JUDICIAL BRANCH (0250)
COURT OF APPEAL, FIFTH APPELLATE DISTRICT, FRESNO COUNTY
New Courthouse

Authority: Chapter 379/02, Item 0250-301-0660 (2)
Chapter 38/05, Item 0250-301-0660 (1)

Adopt an amended resolution to:

1. Authorize the use of interim financing to be repaid from the Public Buildings Construction Fund from the proceeds from the sale of bonds consistent with the increased project authority.
2. Authorize the sale of the State Public Works Board Lease Revenue Bonds consistent with the increased project authority.

Total Current Estimated Project Costs: \$22,045,000

APPROVED:
5/0

BOND ITEM

STAFF ANALYSIS – 2

Department of General Services
Judicial Branch, Court of Appeal
Fifth Appellate District—New Courthouse

Action Requested

The requested action will adopt an amended resolution to authorize the use of interim financing and the sale of lease revenue bonds.

Scope Description

This project is within scope. This project will construct a new appellate courthouse to replace the existing leased facility located in Fresno for the Fifth Appellate District Court. The state has acquired two parcels totaling 2.05 acres for use as the building site and related surface parking. The project will construct a new courthouse consisting of three stories and approximately 61,000 square feet. The project scope includes modular furniture, utilities, site work, landscaping and surface parking which includes a secured parking area.

Funding and Cost Verification

This project is within cost. The Budget Act of 2002 (\$17,559,000), and Budget Act of 2005 (\$4,486,000), provides a total of \$22,054,000 (lease revenue bonds) for the working drawings and construction phases of this project. A resolution authorizing actions to be taken to provide for interim financing and sale of lease revenue bonds was previously adopted by the Board on May 14, 2004 for this project.

\$23,551,000 total authorized project costs

\$23,551,000 total estimated project costs

\$2,540,000 project costs previously allocated: acquisition \$1,031,000, preliminary plans \$475,000 and working drawings \$1,034,000

\$21,011,000 project costs to be allocated: construction costs \$21,011,000 (construction contract 18,201,000, construction contingency \$910,000, A&E Services \$718,324, and other project costs \$1,181,676)

CEQA

The CEQA documentation is complete. A Notice of exemption was filed with the State Clearinghouse on April 2, 2003 and the waiting period expired on May 8, 2003.

Project Schedule

The project schedule is as follows:

Complete construction: March 2007

Due Diligence Status

The State acquired the site in March 2004, and due diligence activities are complete.

Other

DGS will go forward to acquire a PMIB loan to fund the project work upon approval of PWB.

Staff Recommendation: Adopt amended resolution.

BOND ITEM

BOND ITEM – 3

**DEPARTMENT OF EDUCATION, STATE SPECIAL SCHOOLS (6110)
CALIFORNIA SCHOOL FOR THE DEAF,
RIVERSIDE, RIVERSIDE COUNTY**
Multipurpose/Activity Center

*Authority: Chapter 157/03, Item 6110-301-0660 (1)
Chapter 38/05, Item 6110-301-0660 (.5)*

Adopt an amended resolution to:

1. Authorize the use of interim financing to be repaid from the Public Buildings Construction Fund from the proceeds from the sale of bonds, consistent with the increased project authority.
2. Authorize the sale of the State Public Works Board Lease Revenue Bonds, consistent with the increased project authority.

Total Estimated Bond Authorization: \$6,903,000

**APPROVED:
5/0**

BOND ITEM

STAFF ANALYSIS ITEM – 3

Department of Education, School for the Deaf-Riverside
Multipurpose/Activity Center

Action requested

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

Scope Description

This project is within scope. This project will provide for the construction of a new Multipurpose/Activity Center (16,775 gross square feet) at the Riverside School for the Deaf. The facility can be converted for indoor sporting events and performing arts. Features include performance stage, restrooms, office space, bleachers, movable partitions and storage rooms. Site work includes modifications to existing road to site, landscaping and utilities.

Funding and Cost Verification

This project is within cost. The Budget Act of 2003 (\$5,600,000), and Budget Act of 2005 (\$1,303,000), provide a total of \$6,903,000 (lease revenue bonds) for the preliminary plans, working drawings and construction phases of this project. A resolution authorizing actions to be taken to provide for interim financing and sale of lease revenue bonds was previously adopted by the Board on December 12, 2003.

\$6,903,000 total estimated project costs

\$597,000 project costs previously allocated: preliminary plans for \$252,000, working drawings for \$345,000

\$6,306,000 project costs to be allocated: construction for \$6,306,000

CEQA

A Notice of Exemption/Determination was filed with the State Clearinghouse on April 20, 2003 and the waiting period expired on May 20, 2003.

Project Schedule

The project schedule is as follows:

Complete construction: December 2006

Due Diligence

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

Staff Recommendation: Adopt amended resolution.

CONSENT ITEM

CONSENT ITEM – 4

DEPARTMENT OF GENERAL SERVICES (1760)
DEPARTMENT OF PARKS AND RECREATION (3790)
HENRY W. COE STATE PARK, WINOVICH
SANTA CLARA AND STANISLAUS COUNTIES
DPR Parcel Numbers 8260-01, DGS Parcel Number 10381

*Authority: Chapter 52/00, Item 3790-301-0005 (15) as reappropriated by
Chapter 157/03, 3790-490-0005 (1) (15)*

a. **Authorize site selection**

APPROVED:
3/0

CONSENT ITEM

STAFF ANALYSIS ITEM – 4

Department of General Services
Department of Parks and Recreation
Henry W. Coe State Park, Winovich

Action requested

The requested action will authorize site selection for this project.

Scope Description

This project is within scope. The Legislature has approved funding from Proposition 12: Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Fund for new acquisitions for the State Park System. This request will authorize site selection of fee simple interest of approximately 531 acres of habitat land as an addition to the Henry W. Coe State Park. The acquisition of this property will protect the scenic view shed as well as improve visitor access to the park.

Funding and Cost Verification

This project is within cost. The funding source for the purchase is Chapter 52/00, Item 3790-301-0005 (15), as reappropriated by Chapter 157/03, Item 3790-490-0005 (1)(15). 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 July 26, 2005, and the waiting period will expire on August 31, 2005.

Project Schedule

The project schedule is as follows:

The anticipated close of escrow is September of 2005.

Condition of Property

Department of General Services (DGS), Environmental Services Section (ESS) staff conducted a site visit to the Winovich parcel on June 2, 2005. The acquisition consists of five parcels (Santa Clara County APN's: 627-29-010 and 070-13-019 and Stanislaus County APN's 028-001-005, 026-007-013, and 028-001-001), totaling approximately 531 acres of primarily undeveloped agricultural/ranch land located within the Upper San Antonio Valley at County Line Road in an unincorporated area of Santa Clara and Stanislaus Counties. The predominant current and historic use of the land is for cattle grazing. The Stanislaus County parcels are subject to the Williamson Act. One of the Stanislaus County parcels (APN 028-001-001) contains improvements consisting of a vacant, uninhabitable cabin, corral fencing, well (spring), septic system, propane tank, buried phone cable, and root cellar. Household trash, wood debris, and an abandoned suburban vehicle should be removed from the property and disposed of properly.

A Phase I Environmental Site Assessment report was not available for this property and is not deemed necessary given the primarily undeveloped nature of the parcels and surrounding properties. However, near the corral is a stained area, approximately 3' by 4' in size exhibiting a petroleum odor. This area requires further investigation and possible remediation. No other potential problems with hazardous materials, e.g., ground and/or vegetation staining was observed during the ESS site visit and the property is compatible with the proposed future use as an addition to the Henry Coe State Park.

Other:

- The purchase price will not exceed estimated fair market value as determined by a DGS approved appraisal.
- The Department of Parks and Recreation 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 with the exception of an old cabin that will need to be removed.
- There is no relocation assistance involved with this project.
- There is no implied dedication applicable to this property.
- DPR is acquiring this property to preserve the state's most valued natural resources. A portion of the property is adjacent to the Henry W. Coe Wilderness area that includes steep terrain. The property is not easily accessible by the public due to its remote location and the terrain. It is located along a current patrol route for the park unit and will be patrolled using existing staff. It is anticipated that no additional support funds will be needed to manage this property.
- Any changes to public access, development, or resource needs will be addressed through the normal budget process.
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Staff Recommendation: Authorize site selection

CONSENT ITEM

CONSENT ITEM – 5

DEPARTMENT OF GENERAL SERVICES (1760)
DEPARTMENT OF PARKS AND RECREATION (3790)
HENRY W. COE STATE PARK, HURNER, SANTA CLARA COUNTY
DPR Parcel Numbers 6059-01, DGS Parcel Number 10175

*Authority: Chapter 52/00, Item 3790-301-0005 (15) as re-appropriated by
Chapter 157/03, 3790-490-0005(1) (15)*

a. **Authorize site selection**

APPROVED:
3/0

CONSENT ITEM

STAFF ANALYSIS ITEM – 5

Department of General Services
Department of Parks and Recreation
Henry W. Coe State Park, Hurner

Action requested

The requested action will authorize site selection for this project.

Scope Description

This project is within scope. The Legislature has approved funding from Proposition 12: Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Fund for new acquisitions for the State Park System. This request will authorize site selection of fee simple interest of approximately 2,406 acres of habitat land as an addition to the Henry W. Coe State Park. The acquisition of this property will protect the scenic view shed as well as improve visitor access to the park.

Funding and Cost Verification

This project is within cost. The funding source for the purchase is Chapter 52/00, Item 3790-301-0005(15) as re-appropriated by Chapter 157/03, 3790-490-0005(1) (15). 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 November 26, 2003, and the waiting period expired on December 31, 2003.

Project Schedule

The project schedule is as follows:

The anticipated close of escrow is November of 2005.

Condition of Property

Department of General Services (DGS), Environmental Services Section staff conducted a site visit to the Keith Hurner parcel on May 8, 2003, and a revisit on June 2, 2005. There have been no changes to the acquisition which would be of concern environmentally between the first site visit and the June 2005 visit. The acquisition consists of approximately 2,406 acres of primarily undeveloped agricultural/ranch land located within the San Antonio Valley, east of Mount Hamilton in an unincorporated area of Santa Clara County near the Stanislaus County border. The parcel is north of and adjacent to the Henry Coe State Park. The predominant current and historic use of the land is for cattle grazing. The property is subject to the Williamson Act. The only improvements on the property consist of graded dirt roads, fences and natural springs. There are no public utilities, i.e., electric, gas, water, sewer, available on the property.

A Phase I Environmental Site Assessment report was not available for this property and is not deemed necessary given the primarily undeveloped nature of the property. No potential problems with hazardous materials, e.g., ground and/or vegetation staining was 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 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 property is vacant and unimproved.
- There is no relocation assistance involved with this project.
- There is no implied dedication applicable to this property.
- The property is encumbered by the California Land Conservation Act of 1965 (Williamson Act). DPR will notify the Department of Conservation that the State is considering the acquisition of the property after PWB site selection is approved.
- DPR is acquiring this property to preserve the state's most valued natural resources. This property adjoins a remote area of the state park that has limited public access. The property is located along a current patrol route for the park unit and will be patrolled using existing staff. While it is anticipated that no additional support funds will be needed to manage this property, DPR will provide a more detailed management plan for this acquisition prior to requesting acquisition approval.
- Any changes to public access, development, or resource needs will be addressed through the normal budget process.

Staff Recommendation: Authorize site selection

CONSENT ITEM

CONSENT ITEM – 6

DEPARTMENT OF GENERAL SERVICES (1760)
DEPARTMENT OF PARKS AND RECREATION (3790)
HENRY W. COE STATE PARK, TAX DELINQUENT PROPERTY
SANTA CLARA COUNTY
DPR Parcel Number A47001, DGS Parcel Number 10345

Authority: Chapter 379/02, Item 3790-301-6029(6)

a. **Authorize acquisition**

APPROVED:
3/0

CONSENT ITEM

STAFF ANALYSIS ITEM – 6

Department of General Services
Department of Parks and Recreation
Henry W. Coe State Park—Tax Delinquent Property

Action Requested

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

Scope Description

This project is within scope. The Legislature included an appropriation to the Department of Parks and Recreation (DPR) from Proposition 40: Safe Neighborhood Parks, Clean Water, Clean Air and Coastal Protection Fund for opportunity purchases of property additions to the State Park System without specifying particular parcels. The Department of Parks and Recreation currently owns a 1/3 interest in approximately 33 acres of land at the Henry W. Coe State Park. This request will authorize acquisition of a tax delinquent property from the County of Santa Clara that is the remaining 2/3 interest in the property. This acquisition will consolidate the undivided ownership interest in the property.

Funding and Cost Verification

This project is within cost. Chapter 379/02 Item 3790-301-6029(6) provides \$40,000,000 for fee simple interest and overhead for this acquisition. The property can be acquired with the remaining funds and in accordance with Legislative intent.

\$7,000 total project costs

\$7,000 project costs to be allocated: \$5,000 acquisition and approximately \$2,000 in overhead costs

CEQA

The Notice of Exemption was filed with the State Clearinghouse on January 12, 2005, and the waiting period will expire on February 15, 2005.

Project Schedule

The project schedule is as follows:

The anticipated close of escrow is July 2005.

Condition of Property

Department of General Services, Environmental Services Section (ESS) staff conducted a site visit to the Henry Coe State Park tax delinquent acquisition on June 2, 2005. The acquisition consists of a two-thirds interest in 32.55 acres (APN 865-02-003) in an unincorporated area of Santa Clara County, California (Sec 6, T9S, R5E). The Department of Parks and Recreation currently owns an undivided one-third interest in the 32.55 acres which is completely surrounded by Henry Coe State Park property.

Improvements on the property consist of a two-room wooden cabin and a small two-room wooden building which once contained a bathroom and a generator room. The cabin and small building are currently vacant. A sun shade consisting of a corrugated tin roof on metal poles has been erected over the buildings. Non-potable spring water is gravity fed into a Rubbermaid tub adjacent to the cabin. An outhouse and metal horse corral complete the improvements on the property.

Both buildings contain rodent droppings which may pose a potential threat of exposure to hanta virus if the buildings were to be used in their present condition. In the recent past, users of the property would practice shooting at a target that had been erected approximately 50-75 yards from the cabin across the stream. It is recommended that the target area be identified and delineated for possible lead contamination. It is known that lead shot poses a health and safety hazard to waterfowl. The proximity of the target area to the stream may pose a health risk to any waterfowl feeding in the area.

A Phase I Environmental Site Assessment report was not available for this property. No potential problems with hazardous materials e.g., ground and/or vegetation staining was observed during the ESS site visit and the property is compatible with the proposed future use, i.e., open space and habitat preservation.

Other:

- DPR is not aware of any lawsuits pending concerning the properties. The Tax Deed from Santa Clara County to the State will be free and clear of any liens.
- DPR does not estimate there will be any additional operating costs resulting from acquiring the remaining 2/3 interest in this in-holding property.

Staff Recommendation: Authorize acquisition.

CONSENT ITEM

CONSENT ITEM – 7

DEPARTMENT OF GENERAL SERVICES (1760)
DEPARTMENT OF CORRECTIONS AND REHABILITATION (5225)
CALIFORNIA MEN'S COLONY, SAN LUIS OBISPO

*Authority: Chapter 52/00, Item 1760-301-0768(4)
as reappropriated by Chapter 106/01, Item 1760-490-0768(4)*

- a. Approve augmentation to liquidate construction expenditures **\$802,000**
(11.8 percent of total project)

APPROVED:
3/0

CONSENT ITEM

STAFF ANALYSIS ITEM – 7

Department of General Services
California Men's Colony, San Luis Obispo
Structural Retrofit

Action Requested

This action will extend the authority of the construction funds to cover expenditures that have not been liquidated.

Scope Description

This project is within scope. The project consists of "Structural Only" retrofit. Architectural/mechanical/electrical costs are limited to incidental work to enable the structural retrofit only. The retrofit scheme for the four buildings included adding new transverse shear walls at the first floor, infilling several bays of windows at the exterior longitudinal walls, and creating a separation adjacent to two columns at the second floor. The seismic performance of the strengthened buildings is now consistent with Risk Level III.

Funding and Cost Verification

The projects were within cost. The project is now complete and was within the total project cost of \$6,793,000 that was previously approved. Of this amount \$2,787,000 has been reverted due to bid savings but subsequent requests for return of bid savings (\$560,000) were also approved leaving a net reversion of \$2,227,000. The project was completed in December 2004. On June 30, 2004, the liquidation period for the construction appropriation expired and an additional \$996,000 has reverted. The expenditures for this project have not been fully liquidated. This action will augment this project within the construction phase authority in the

amount of \$802,000 sufficient to liquidate the expenditures. A 20-day letter was sent to the Legislature on August 4, 2005 and the waiting period will expire on August 24, 2005.

\$6,793,000 total estimated project costs

\$3,569,000 project costs previously allocated: preliminary plans \$285,000; working drawings \$449,000; construction \$3,831,000 (\$1,817,000 contract, \$687,000 contingency, \$775,000 A&E, \$552,000 agency retained item) less \$996,000 which reverted on June 30, 2004

\$3,224,000 reversion (\$2,228,000 net bid savings; \$996,000 at expiration of liquidation period on June 30, 2004)

\$802,000 augmentation required to liquidate construction expenditures

CEQA

A Notice of Exemption was filed with the State Clearinghouse on February 23, 2001 and the 35-day notice period ended on March 20, 2001.

Project Schedule

The project schedule is as follows:

Project completion: December 2004

Due Diligence Status

Project has received PWB approval prior to the due diligence requirement.

Staff Recommendation: Approve augmentation to allow liquidation of construction expenditures contingent upon the expiration of the 20-day notification period.

CONSENT ITEM

CONSENT ITEM – 8

DEPARTMENT OF MENTAL HEALTH (4440)

PATTON STATE HOSPITAL, PATTON, SAN BERNARDINO COUNTY

Renovate Admission Suite and Fire Life Safety and Environmental Improvements and Seismic Retrofit, Phases II and III, EB Building

*Authority: Chapter 157/03, Item 4440-301-0660 (3)
Chapter 38/05; Item 4440-301-0660 (2)*

- a. **Approve preliminary plans**

APPROVED:

3/0

CONSENT ITEM

STAFF ANALYSIS ITEM – 8

Department of Mental Health
Patton State Hospital, Renovate Admission Suite and Fire Life Safety
and Environmental Improvements and Seismic Retrofit, Phases II and III, EB Building

Action requested

The requested action will approve preliminary plans and the release of working drawing funds.

Scope Description

This project is within scope. This phased project combines four individual projects within the Ed Bernath (EB) Building. This project will: 1 & 2) complete phases II and III of the building upgrade, including ADA improvements and hazardous substances abatement, to meet current fire life safety codes (FLSEI); 3) renovate the Admissions Suite; and 4) provide a seismic retrofit of the entire building, lowering the risk from Level 4 to Level 3. The building is a 133,340 square feet cast in place structure with a basement and three stories.

Funding and Project Cost Verification

This project is within cost.

\$31,556,000 total estimated project cost

\$1,410,000 project costs previously allocated: Preliminary plans (\$885,000 for Phases I, II, and III) and Working Drawings, (\$525,000 for Phase I).

\$30,146,000 project costs to be allocated: working drawings - \$1,164,000; and construction - \$28,982,000 (\$22,548,000 contract, \$2,103,000 contingency, \$1,553,000 A/E, \$702,000 agency retained items, and \$2,076,000, other project costs) at CCCI 4328

CEQA

A Notice of Exemption was filed with the State Clearinghouse on November 2, 2004 and the 35-day notice period expired December 8, 2004.

Project Schedule

The project schedule is as follows:

| | |
|----------------------------|---------------|
| Approve preliminary plans: | August 2005 |
| Approve working drawings: | June 2006 |
| Award contract: | November 2006 |
| Complete construction: | November 2009 |

Due Diligence

Due Diligence for Phases I, II and III of this project was completed on February 18, 2003, with no significant issues.

Staff Recommendation: Approve preliminary plans.

CONSENT ITEM

CONSENT ITEM – 9

CALIFORNIA COMMUNITY COLLEGES (6870)
SANTA BARBARA COMMUNITY COLLEGE DISTRICT
SANTA BARBARA CITY COLLEGE, SANTA BARBARA COUNTY
Physical Science Renovation

Authority: Chapter 157/03, Item 6870-301-6028 (68) PW
Chapter 208/04, Item 6870-490-Reappropriation W
Chapter 38/05, Item 6870-490-Reappropriation W
Chapter 38/05, Item 6870-301-6028(2) C

a. Approve preliminary plans

APPROVED:
3/0

CONSENT ITEM

STAFF ANALYSIS ITEM – 9

Santa Barbara Community College District
Santa Barbara City College
Physical Science Renovation

Action Requested

The requested action will approve preliminary plans for this project.

Scope Description

This project is within scope. This project reconstructs 8,117 assignable square feet (asf) in an existing 14,150 asf physical science instructional building to mitigate health and safety conditions relative to ventilation systems, hazardous material handling and storage systems, fire safety systems and improve other critical infrastructure and non-structural seismic safety conditions.

Funding and Project Cost Verification

This project is within cost.

\$3,557,000 total authorized project costs

\$3,557,000 total estimated project costs

\$84,000 state project costs previously allocated: preliminary plans \$84,000 at CCI 4019

\$3,473,000 state project costs to be allocated: working drawings \$75,000 at CCI 4019, construction \$3,398,000 (\$2,972,000 contracts, \$208,000 contingency and \$218,000 tests and inspections, architectural oversight during construction) at CCI 4328

CEQA

A Notice of Exemption (#1997106912) was filed with the State Clearinghouse on April 30, 1997 and the waiting period has expired.

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:

| | |
|----------------------------|---------------|
| Complete working drawings: | October 2005 |
| Award contract: | January 2006 |
| Complete construction: | November 2006 |

Staff Recommendation: Approve the preliminary plan

ACTION ITEM

ACTION ITEM – 10

**JUDICIAL BRANCH (0250)
COURT OF APPEAL, FOURTH APPELLATE DISTRICT, NEW COURTHOUSE
ORANGE COUNTY (SANTA ANA)**

DGS Project No. JCC001, DGS Parcel No. 10002

*Authority: Chapter 52/00, Item 0250-301-0001(2);
as reappropriated by Chapter 157/03, Item 0250-490
Chapter 379/02, Item 0250-301-0660(1),
as reappropriated by Chapters 157/03 and 208/04, Item 0250-490*

a. Authorize acquisition

**APPROVED:
3/0**

ACTION ITEM

STAFF ANALYSIS ITEM – 10

Judicial Branch, Court of Appeal
Fourth Appellate District, Santa Ana, New Courthouse

Action requested

The requested action will authorize acquisition for this project.

Scope Description

This project is within scope. The project provides for acquisition of land and the construction of a replacement facility for the Fourth Appellate District Court in Santa Ana. The acquisition phase of the project includes acquiring fee simple interest in a parcel of approximately 1.85 acres of land that is presently improved with a juvenile detention facility and a public parking lot. The property is owned by the City of Santa Ana (City), which has offered to deliver the property to the State of California with the detention facility removed from the property.

Funding and Cost Verification

This project is not within cost. The Budget Act of 2000, Item 0250-301-0001(2) provided \$2,783,000 for acquisition. The Budget Act of 2005 reverted \$2,178,000 of acquisition funds because the purchase price has been substantially reduced. An augmentation request is on the agenda to provide additional funds for preliminary plans (\$199,000). The original construction appropriation was based on estimated costs with a July 1, 2004 start of construction and current construction costs will be determined in the preliminary plans phase. The AOC is not seeking an augmentation of construction funds at this time.

\$15,586,000 total authorized project costs

\$15,387,000 total estimated project costs

\$3,215,000 project funds previously allocated: site acquisition \$2,783,000 and preliminary plans \$432,000

\$14,350,000 project funds to be allocated: working drawings \$792,000 and construction \$13,558,000

(\$2,178,000) project funds reverted in 2005 Budget Act: site acquisition

\$199,000 project funds to be augmented for preliminary plans

CEQA

A Notice of Determination was filed with the State Clearinghouse on June 27, 2005, and the waiting period expired on July 27, 2005.

Project Schedule

The project schedule is as follows:

| | |
|----------------------------|------------|
| Approve preliminary plans: | April 2006 |
| Start Construction: | March 2007 |
| Complete Construction: | July 2008 |

Condition of Property

Department of General Services, Environmental Services Section (ESS) staff conducted a site visit to the subject property on March 22, 2004. The parcel selected is approximately 1.85 acres and is located in the northwest corner of the intersection of Santa Ana Boulevard and Ross Street in the City of Santa Ana. The site is located in the Civic Center area of Orange County. The Courthouse project is planned to be a three level building totaling 55,000 gross square feet with a maximum height of 54 feet. The Court of Appeal Courthouse is planned for approximately 80 staff members.

The site selected is a developed site, graded and landscaped and is zoned within a mixed use (governmental, institutional, and commercial) area, compatible with the proposed future use. The site has adequate accessibility to the street and all infrastructure needs for office space (utilities, sewer, water, etc.).

A Phase I Environmental Site Assessment (ESA) was prepared by RBF Consulting, September 11, 2002 and updated October 01, 2004. The ESA found no evidence of recognized environmental conditions in connection with the property.

The Administrative Office of the Courts, on behalf of the Judicial Council of California, acting in the capacity of Lead Agency, undertook the preparation of an Initial California Environmental Quality Act (CEQA) Study to determine if the proposed project would have a significant environmental impact. The proposed Initial Study found “there is no substantial...that such impacts may occur,” pursuant to Section 21080(c), Public Resources Code.

Other:

- The State Public Works Board approved site selection for this property on February 8, 2002.
- The Property Acquisition Agreement provides for a Reciprocal Easement Agreement between the State and the City that provides for perpetual use by the State of the entire first floor of a city parking structure to be constructed on the adjacent City-owned parcel. Said easement also provides for the State's ingress and egress to the city parking structure, and access, ingress and egress to the City on portions of the State property for purposes of pedestrian and emergency personnel and vehicles, and maintenance of some utility facilities.
- The title report indicates that the property is subject to the terms of a "Joint Exercise of Powers Agreement" recorded August 17, 1966; however, a 1994 quitclaim deed eliminated the subject property from said agreement. Since said quitclaim was not recorded, the title company will not delete this title exception until a quitclaim of said tile interest is recorded. The Seller has agreed to have such a quitclaim recorded prior to the close of escrow so that this title exception will be deleted prior to conveyance to the state.
- The Property Acquisition Agreement provides for an ongoing obligation upon the State to maintain at its cost that portion of the city parking structure interior that the State utilizes for the parking of its employees.
- The proposed site meets the location requirements of the Judicial Council of California.
- There is no relocation assistance involved with this project.
- The purchase price shall not exceed estimated fair market value as determined by a Department of General Services approved appraisal.
- There is no implied dedication involved with this project.

Staff Recommendation: Authorize site acquisition, contingent upon the recording of the quitclaim deed by the City to eliminate the property from the "Joint Exercise of Powers Agreement."

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ACTION ITEM

ACTION ITEM – 11

DEPARTMENT OF GENERAL SERVICES (1760)
DEPARTMENT OF PARKS AND RECREATION (3790)
MONTANA DE ORO STATE PARK, MORRO BAY SHORES
SAN LUIS OBISPO COUNTY
DPR Parcel Number A47201 DGS Parcel Number 10256

Authority: Public Resources Codes 5005, 37021, 37023, 37025

- a. **Authorize acquisition of real property through the acceptance of a no cost acquisition.**

APPROVED:
3/0

ACTION ITEM

STAFF ANALYSIS ITEM – 11

Department of General Services
Department of Parks and Recreation
Montana de Oro State Park, Morro Bay Shores

Action requested

The requested action will authorize the acquisition of real property through the acceptance of a no cost acquisition.

Scope Description

This project is within scope. This request will authorize the Department of Parks and Recreation (DPR) to accept a donation of approximately 18 acres of land known as the Morro Bay Shores Property as an addition to the Morro Dunes Natural Preserve located within Montana de Oro State Park. The property is located adjacent to an eastern border of this preserve. The acquisition of this undeveloped bayshore land, located between Shark Inlet and an existing residential development, will improve habitat and viewshed protection as well as help solve problems with vehicle trespass in the area. In addition to its natural resource value, the property provides an important public access link from the end of Butte Drive in the community of Los Osos and Montana de Oro State Park.

This acquisition meets the Department's Expanded Outdoor Recreation and In-Holdings and Adjacent Properties acquisition guidelines by acquiring property that is adjacent to water and the existing Morro Dunes Natural Preserve portion of Montana de Oro State Park. It also meets

the Department's mission to both preserve unique habitat areas and provide the growing population of the State of California with additional recreational opportunities.

CEQA

The Notice of Exemption was filed with the State Clearinghouse on August 3, 2004, and the waiting period expired on September 7, 2004.

Project Schedule

The project schedule is as follows:

The anticipated close of escrow is September 2005.

Condition of Property

Staff of the Department of General Services (DGS), Environmental Services Section (ESS) staff conducted a follow-up site visit to the proposed Butte Drive parcel on February 7, 2005. The parcel is proposed for transfer to the California Department of Parks and Recreation (DPR). The property consists of an approximately 18-acre parcel at the western end of Butte Drive in the community of Los Osos, San Luis Obispo County.

The proposed transfer parcel is entirely undeveloped coastal dunes and scrub. Except for informal hiking trails crossing the bay-front edge of the parcel between the end of Butte Drive and State parkland to the west, the parcel is entirely in a native condition with no permanent improvements. The parcel is situated at the southern end of Morro Bay directly adjacent to the small residential development known as Cuesta-by-the-Bay, a coastal enclave of the Los Osos area. Besides the shoreline of Morro Bay, the parcel is bounded by residential development to the east and southeast at the end of Butte Drive, by the Sea Pines Golf Course to the south, and coastal dunes of Montana De Oro State Park to the west and south west. The parcel currently provides the northerly-most access point for visitors to the State park and sand dune spit forming Morro Bay. There is a well-established and well-used foot trail to the park traversing the entire length of this parcel.

An Environmental Site Assessment, Phase I ("Phase I"), was completed in May 2005, by Padre Associates, Inc. ESS required the scope of work to include the potential of viable unexploded ordinance (UXO) remaining on this parcel.

There is one environmental due diligence concern with this property: There is a potential that the property could contain unexploded ordinance given the subject parcel lies within the boundaries of the former Baywood Park Training Area, which was a 1940's military training area used for amphibious landing practice during World War II. A significant portion of Montana De Oro State Park's coastal beaches, dunes, and associated uplands and the sand dunes that form Morro Bay were part of this former training area. Military training ended in approximately 1946, nearly 60 years ago.

During the 1940's, portions of Baywood Park were subjected to live-fire exercises involving ship-mounted artillery and smaller explosives such as mortars and grenades. The associated impact areas are not well documented, but it is generally recognized these exercises targeted the fore dunes and beaches (does not include the subject property) on the outer shoreline of the present-day state parkland. Past ordinance surveys support this finding. Other immediately adjacent areas inland from the shoreline of Baywood Park were also used for military training but it is likely these areas were used for encampments related to combat practice ranges, staging, support, and monitoring the exercises. As is typical of military training, the exercises included not only live rounds but also dummy rounds that are similar in shape and appearance to real artillery rounds, mortars, grenades, etc.

When DPR initially sought acquisition of the Butte Drive parcel (fall 2004), concerns were expressed about the potential for unexploded ordinance. DPR proposed to address this issue by conducting a magnetic/metal detection survey of the areas where existing trails cross the parcel. ESS staff felt there was marginal value to such a survey because of the limited penetration depth down to 12 inches of the available magneto-metric equipment.

Since the information included in the Phase I, as well as ESS site visit work, supports the finding that while the presence of unexploded ordinance can not be fully ruled out, there is a very, very low statistical probability of it occurring within the subject parcel or the immediately adjacent parkland.

The additional information that supports this conclusion is as follows. First, a more comprehensive site survey of the property was conducted. ESS staff undertook walk-over transects of a significant portion of the parcel, even areas with taller vegetative cover. While this area is a dune complex so the surface of the land is subject to cycles of gradual topographic deposition and erosion, no military-related debris or structures were observed on the ground surface. It was also observed that actually three areas of the parcel have been subjected to various levels of pedestrian traffic over the years – including some areas of high use such as the trail(s) from Butte Drive out to the park boundary. Based on the findings of the Phase I and a recent report for an adjacent parcel, as well as years of pedestrian use, there have been no reported instances of ordinance or ordinance-related debris being observed in this area. There are also no reported instances of ordinance discoveries during construction of the immediately-adjacent homes and golf course.

The second and more important findings addressed in the Phase I is based on studies conducted in the 1990's by the United States Army Corps of Engineers ("Corps") of the potential for unexploded ordinance. In 1995 the Corps conducted an ordinance clearance effort of the main impact area well to west of this property. This effort resulted in removal of ordinance from beach and fore dune areas – the area anticipated to have the greatest potential for unexploded ordinance. A second study was conducted in 1998 to assess the risk of ordinance within the remaining Baywood Park training areas that includes the subject property. This study employed magnetometer surveys of 114 sample sites measuring 100 by 200 feet, including three near the subject parcel. The grids were selected on a random statistical basis. No unexploded ordinance was recovered during this second survey. A Corps staff member recently contacted during preparation of Baywood Park site assessments indicated the agency felt the area (areas upland and inland of the beach) posed no imminent danger to the public from ordinance. The 1998 study concluded the area near the Butte Drive parcel had an extremely low risk of containing WWII ordinance.

In conclusion, the Butte Drive parcel contains no soil, groundwater, or hazardous materials conditions, nor does it contain any structures that may contain hazardous materials. Recognizing that the property is part of a former WWII military training area, there is a potential for the area to contain various debris including unexploded ordinance. However, surveys conducted in the late 1990's by the Corps characterized this area as having a very, very low risk of containing unexploded ordinance.

In light of the Phase I which includes a report from the Corps, ESS does not recommend further assessment of this parcel for unexploded ordinance. However, should the transfer occur, ESS does recommend that DPR (1) implement the same excavation safety protocols it currently uses in the adjacent park, (2) that warning signage be provided at the end of Butte Drive, and (3) signage and/or physical barriers be provided along the existing trails to discourage unnecessary entry to the interior of the parcel.

Other:

- DPR is not aware of any lawsuits pending concerning the property. The Property Acquisition Agreement will require delivery title to the property free and clear of any mortgages or liens.
- The owner, The Bay Foundation of Morro Bay (Bay Foundation), a non-profit organization, purchased the property with grants from other state agencies and the County of San Luis Obispo with the intention of gifting the property to DPR as an addition to the existing state park.
- 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 appears that the State will be acquiring 50 percent interest in the mineral estate. However, this could not be confirmed by the title company and it would require a mineral title search to confirm whether the State will acquire this interest. However, due to the low potential for mineral extraction, it is not recommended that the additional mineral title search be conducted at this time.
- With regards to the remaining 50 percent mineral rights including oil and gas and surface rights of entry, these interests have been reserved on the property by former property owners in prior deeds. Records from the Department of Conservation and the California Geological Survey indicate that no exploration or extraction of minerals within or immediately adjacent to the property exists. Additionally, based on there being three dry holes within one mile of the subject property, the chance of there being a potential for oil and gas development is slim to marginal.
- As a condition of the Caltrans grant to the owner, the Bay Foundation of Morro Bay, an Assignment and Assumption Agreement (Agreement) shall be recorded prior to recordation of the Grant Deed conveying the property to the State. The Agreement assigns the conditions of the Caltrans grant from the current owner to the State.
- The previous owner, Morro Bay and Land Company, reserved a utility and road easement to their adjacent land. However, this easement will not burden DPR's use of the property for habitat, open space preservation, resource enhancement, or public access and recreational purposes.
- DPR anticipates limited authorized public access to this acquisition and will provide limited resource protection. DPR anticipates minimal ongoing support costs for the initial operation of this acquisition. Staffing and operational impacts based on any future development, restoration, or additional public access will be addressed through the normal budget process.
- As a condition of the grant agreement between the State Coastal Conservancy and the current owner, DPR will be required to accept an Irrevocable Offer to Dedicate the property containing restrictive covenants that shall run with and burden the property, with a use restriction that the property be used only for the purposes of providing habitat and open space preservation, resource enhancement and management, as provided in the Baywood and Los Osos Conservation Plan, and for public access consistent with these purposes. This restriction is consistent with DPR's intended use of the property.
- It should be noted that Grants from the State Coastal Conservancy, the Wildlife Conservation Board, Caltrans and the County of San Luis Obispo collectively require the acquisition be used for the following purposes: wildlife habitat preservation, restoration and management, wildlife-oriented education and research, compatible public uses, natural

resource protection, and open space preservation and public access including the development of the California Coastal Trail.

- While the conditions imposed by the various granting agencies above are consistent with the DPR's mission and the proposed uses of the property, it is not immediately clear that the acquisition of this property with even a very low risk of UXO is in the state's best interest, especially given the fact that the property is already protected from development and is available for public access. However, DPR contends that the Bay Foundation does not have the resources to properly maintain public access and provide the necessary level of resource and habitat protection for this property. Over time, DPR is concerned that the property will degrade due to a lack of management resources.
- DPR asserts that the potential risks associated with the existence of UXO is very low and are far outweighed by the public benefits of state ownership, which are said to be improved public access and resource protection. As such, DPR is prepared to explain to Board why this acquisition is in the state's best interest.
- It should also be noted that the property is being acquired without the standard indemnification language in the Property Acquisition Agreement (PAA). It is the policy of DGS that an indemnification clause be required in all of its and its client agencies' PAAs. However, DGS does recognize that any agreement silent on indemnification does not relieve or waive the donor/seller's liability under certain State and federal laws with regard to hazardous materials. The elimination of indemnification language in the PAA causes DGS concern in that it is no longer obvious that full disclosure regarding the seller's liability has been met.
- DPR has certified that full disclosure has been met and that DPR has properly informed the Bay Foundation of its liabilities under State and federal laws.

Staff Recommendation: Authorize acquisition of real property through acceptance of a no cost acquisition.

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OTHER BUSINESS

OTHER ITEM – 12

UPDATE: PRESENTED TO THE BOARD

Update on Department of Parks and Recreation McConnell House acquisition project.

OTHER ITEM – 13

Approve a resolution to appoint Mr. Brian Dewey as Assistant Administrative Secretary.

APPROVED:

3/0

REPORTABLES

To be presented at meeting.

Respectfully Submitted
By:

KAREN FINN
Administrative Secretary