



CALIFORNIA STATE  
**PUBLIC WORKS BOARD**

ARNOLD SCHWARZENEGGER, GOVERNOR

915 L STREET ■ NINTH FLOOR ■ SACRAMENTO CA ■ 95814-3706 ■ (916) 445-9694

STATE PUBLIC WORKS BOARD  
October 18, 2006 Meeting  
**MINUTES**

**PRESENT:**

Ms. Anne Sheehan, Chief Deputy Director, Department of Finance  
Mr. Ron Joseph, Director, Department of General Services  
Ms. Cindy McKim, Deputy Director, Department of Transportation (**ABSENT**)  
Mr. Francisco Lujano, Director Securities Management Division, State Treasurer's Office  
Ms. Cindy Aronberg, Deputy Controller, State Controller'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

**STAFF PRESENT:**

Karen Finn, Administrative Secretary, Public Works Board  
Jim Martone, Assistant Administrative Secretary, Public Works Board  
Randy Katz, Budget Analyst for the Department of Finance  
Christina Ahn, Budget Analyst for the Department of Finance  
Henry Nanjo, Legal Counsel, State Public Works Board  
Chris Sanford, Secretary to the Public Works Board

**OTHERS PRESENT:**

Sabrina Winn, Department of General Services; RESD, PSB  
Darlene Maston, Department of Corrections and Rehabilitation  
Tiffany S. Connelly, State Treasurer's Office  
Warren Westrup, Department of Parks and Recreation  
Liz Yokoyama, Department of General Services  
Klein, Department of General Services, PSB  
Jerry Leong, Department of General Services, PSB  
Linda Calvert, Department of General Services, APE  
Greg W. Patton, Department of General Services, APE  
George Fields, Department of General Services  
Pat Rogers, Department of Parks and Recreation

**CALL TO ORDER AND ROLL CALL:**

Ms. Anne Sheehan, Chairperson of the SPWB and Chief Deputy Director for the Department of Finance, called the meeting to order at 11:35 a.m. Ms. Karen Finn, Administrative Secretary for the State Public Works Board, called the roll. A quorum was established. Cindy McKim for the Department of Transportation was noted as ABSENT.

The first order of business was approval of the Minutes from the September 8 and 19, 2006 meetings.

**A motion was made by Mr. Ron Joseph and Second by Ms. Cindy Aronberg to approve minutes from the September 8 and 19, 2006 meetings.  
The minutes were approved by a 4-0 vote.**

**BOND ITEMS:**

Ms. Finn noted that Bond Item # 1, for the California Conservation Corp, had been pulled from the agenda for technical issues and would be brought back on the November agenda.

Ms. Finn reported that Bond Item #2 was the Refunding of Lease Revenue Bonds for various projects for the California State University's and Department of Corrections and Rehabilitation. The requested action would adopt a resolution authorizing the issuance of refunding bonds and approve the forms of documents in the Board's package that were specified in the resolution. Ms. Finn stated that it has been the SPWB's practice to proceed with refinancings, which produced at least three percent net present value savings over the original financings. In some instances, this requirement was waived for a portion of the maturities within an issue if the balance of the maturities merit refinancing and it made sense to refinance the entire issue. The issues proposed for refinancing would meet this general criteria at the time of financing, or the State Treasurer would defer sale until market conditions are more favorable. The maximum par value of the CSU bonds is \$150,000,000. The maximum par value of the Department of Corrections and Rehabilitation bonds is \$205,000,000. The maximum true interest cost would not exceed 5.25 percent. Staff recommended adoption of this 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 4-0 vote.**

Ms. Sheehan thanked and excused the representatives from the State Controller's Office and State Treasurer's Office

**CONSENT CALENDAR:**

Ms. Finn then reported the consent calendar which covered Items numbering 3-7. In summary these items proposed: (Consent Items # 3 - #7)

- 4 requests to authorize acquisitions [3,5,6,7]
- 1 request to approve the sale of state surplus property, [4]

There was **one** 20-day letters for this agenda.

**(LETTER 1)**

The letter was for Consent Item # 4, Department of Forestry and Fire Protection's project 'Sonora Forest Fire Station, Relocate Facility'

—The letter, noticed Staff's intent to recommend approval of an augmentation, was sent to the appropriate Legislative Committees on September 26 2006 and expired on October 16, 2006 without comment.

In summary, staff recommended approval of the Consent Calendar consisting of Items numbered 3 thru 7.

Ms. Sheehan asked if there was any public to comment on these items?

There was no response.

**A motion was made by Mr. Joseph and Second by Ms. Sheehan to approve the Consent Calendar**

**The Consent Calendar was approved by a 2-0 vote.**

**ACTION ITEMS**

Ms. Finn reported one Action Item on the agenda. Action Item #8 would authorize the sale of nearly 20 acres of state surplus property known as Paloma Creek Park in San Luis Obispo. The property is contingent to Atascadero State Hospital and was authorized as surplus in 1996. The Department of General Services was authorized to sell the land for less than fair market value if a local government entity wishes to use it as parkland and certain other conditions had been met. The City of Atascadero had been leasing this parcel from the state for the last 30 years and would now be purchasing it for 50 percent of the fair market value of \$1.5 million. The Board was required to approve the sale. Ms. Finn stated she knew of no controversy or concern but just wanted to bring it to the Board's attention as it was a unique transaction. Staff recommended approval of the sale.

Ms. Sheehan asked for any other comments from the public. There was no response.

**A motion was made by Mr. Joseph and Second by Ms. Sheehan to approve Action Item #8**

**Action Item #8 was approved by a 2-0 vote.**

**OTHER BUSINESS:**

Ms. Finn then reported about Other Item #9 which was approval of the 2007 State Public Works Board Calendar. This showed the meeting and due dates for the next Calendar year. Staff recommended approval.

**A motion was made by Mr. Joseph and Second by Ms. Sheehan to approve Other Item #9**  
**Other Item #9 was approved by a 2-0 vote.**

**REPORTABLES:**

Ms. Finn reported that there were **three** reportable items for this month that staff had approved under authority delegated by the Board.

**NEXT MEETING:**

Ms. Finn informed the Board that the next meeting was set for **Friday, November 17, 2006, at 10:00 AM, at the State Capitol, Room 113.**

Ms Sheehan asked if there were any comments or questions from the public before adjournment.

No answer was forthcoming

Ms. Sheehan adjourned the meeting at 11:40 a.m.

## **AGENDA AND STAFF ANALYSIS**

**NOTICE OF MEETING  
STATE PUBLIC WORKS BOARD  
Wednesday  
October 18, 2006**

The **STATE PUBLIC WORKS BOARD** will meet on, **Wednesday October 18, 2006, at 11:30 a.m. in Room 113 in the State Capitol, Sacramento, California.** In accordance with provisions of Section 11125 of the Government Code, a copy of the Agenda is attached.

Karen Finn  
Administrative Secretary

Attachment



**STATE PUBLIC WORKS BOARD**

**Wednesday**

**October 18, 2006**

**11:30 a.m.**

**Room 113**

State Capitol

Sacramento, California

**I. Roll Call**

Michael C. Genest, Director, Department of Finance  
Ron Joseph, Director, Department of General Services  
Cindy McKim, Deputy Director, Department of Transportation  
Cindy Aronberg, Deputy Controller, State Controller's Office  
Francisco Lujano, Director Securities Management Division, State Treasurer's  
Office  
Director, Employment Development Department  
(Advisory Member)

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Assembly Member, Legislative Advisor  
Assembly Member, Wilma Chan, Legislative Advisor  
Assembly Member, Lloyd E. Levine, Legislative Advisor  
Senator, Wesley Chesbro, Legislative Advisor  
Senator, Gilbert Cedillo, Legislative Advisor  
Senator, Legislative Advisor

**II. Approval of minutes from the September 8 and 19, 2006 meetings  
Report on conditional approvals of last meeting.**

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## BOND ITEM

### BOND ITEM – 1

**CALIFORNIA CONSERVATION CORPS (3340)  
TAHOE BASE CENTER RELOCATION, REPLACE FACILITY  
EL DORADO COUNTY**

*Authority: Chapter 157/03, Item 3340-301-0660 (1),  
as partially reappropriated by Chapter 208/04, Item 3340-490  
and Chapter 38 and 39/05, Item 3340-490,  
as partially reverted by Chapter 47 and 48/06, Item 3340-495;  
Chapter 47/06, Item 3340-301-0660 (1)*

**Adopt 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.
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 California Conservation Corps.
3. Approve the form of and authorize the execution of a Site Lease between the California Conservation Corps and the State Public Works Board.
4. Approve the form of and authorize the execution of a Facility Lease between the California Conservation Corps and the State Public Works Board.
5. Authorize the sale of the State Public Works Board Lease Revenue Bonds.

**Total Estimated Bond Authorization**

**\$26,680,000**

**(ITEM PULLED FROM THE AGENDA)**

**BOND ITEM**

**STAFF ANALYSIS ITEM – 1**

**ITEM PULLED FROM AGENDA**

## BOND ITEM

### BOND ITEM – 2

**DEPARTMENT OF CORRECTIONS AND REHABILITATION (5225)  
CALIFORNIA STATE UNIVERSITY (6610)  
LEASE REVENUE REFUNDING BONDS—Various Departments**

*Authority: State Building Construction Act of 1955, Title 2, Division 3, Part 10b California Government Code; §15840*

**Adopt a resolution to:**

1. Authorize the sale of State Public Works Board (SPWB) bonds to refund the SPWB Lease-Revenue Bonds as follows:
  - a. Department of Corrections 1996 Series B (California State Prison – Monterey County [Soledad II])
  - b. Department of Corrections 1996 Series D (California State Prison – Monterey County [Soledad II])
  - c. California State University 1996 Series A (Various CSU Projects)
2. Approve the form of and authorize the execution and delivery of amendments to the Facility Leases and/or an amended and restated Facility Lease.
3. Approve the form of and authorize the execution and delivery of one or more Supplemental Indentures.
4. Approve the form of and authorize the execution and delivery of one or more Continuing Disclosure Agreements.
5. Approve the form of and authorize the execution and delivery of one or more Preliminary Official Statements and Official Statements.
6. Approve other related actions in connection with the authorization, issuance, sale, and delivery of said refunding lease revenue bonds.

**Estimated not to exceed principal amount for the refunding bonds is \$355,000,000**

**APPROVED 4/0**

## BOND ITEM

### STAFF ANALYSIS ITEM – 2

Department Of Corrections and Rehabilitation  
California State University  
Lease-Revenue Refunding Bonds—Various Departments

#### Action Requested

**The requested action will adopt a resolution authorizing the issuance of refunding bonds.**

#### Scope Description

For the refunding, the refunding bonds are to be issued pursuant to the SPWB's adopted refunding policy of March 15, 2004. These issuances and their outstanding principals are listed in Appendix A of the resolution that is in your backup material. While the authorization is for the callable outstanding principal, the refundings will undoubtedly be less since not all series will meet the SPWB's three percent threshold.

It is the SPWB's practice to proceed with refinancings, which produce at least three percent net present value savings over the original financings. In some instances, this requirement is waived for a portion of the maturities within an issue if the balance of the maturities merit refinancing and it makes sense to refinance the entire issue. The issues proposed for refinancing will meet this general criteria at the time of financing, or the State Treasurer will defer sale until market conditions are more favorable.

The CSU bonds are not under the master indenture and will be handled accordingly. The maximum par value of the CSU bonds is \$150,000,000. The maximum par value of the Department of Corrections and Rehabilitation bonds is \$205,000,000.

**Staff Recommendation:     Adopt resolution**

## CONSENT ITEM

### CONSENT ITEM – 3

DEPARTMENT OF GENERAL SERVICES (1760)  
CALIFORNIA TAHOE CONSERVANCY (3125)  
ANGORA WATERSHED RESTORATION  
EL DORADO COUNTY  
CTC Project Number 16240; DGS Parcel Number 10427

*Authority: Chapter 208/04, Item 3125-301-6029*

**Authorize acquisition consistent with the staff analysis**

**APPROVED 2/0**

## CONSENT ITEM

### STAFF ANALYSIS ITEM – 3

Department of General Services  
California Tahoe Conservancy  
Angora Watershed Restoration  
El Dorado County

#### Action requested

**The requested action will authorize acquisition for this project.**

#### Scope Description

**This project is within scope.** The Legislature has approved funding for land acquisition pursuant to Government Code Section 66907, which authorizes the purchase of real property or interests therein for the purpose of protecting the natural environment. This request will authorize acquisition of approximately 9,148 square feet (0.21 acre) for the acquisition of fee title for purposes of watershed restoration, protection and restoration of the natural environment and scenic beauty.

#### Funding and Cost Verification

**This project is within cost.** Chapter 208, Budget Act of 2004, Item 3125-301-6029, provides \$3,713,000 for the acquisition of land or interests therein as well as, for site improvements. The property interest can be acquired with the funds available and in accordance with Legislative intent.

\$380,000 total authorized project costs

\$380,000 total estimated project costs

\$20,000 project costs previously allocated: appraisal \$1,200, appraisal review \$800, DGS staff costs \$1,000, title and escrow \$2,000 and remainder staff charges

\$360,000 project costs to be allocated: land acquisition \$360,000

#### CEQA

A Notice of Exemption was filed at the State Clearinghouse on August 2, 2006, and the statute of limitations expired on September 7, 2006.

#### Project Schedule

**The project schedule is as follows:**

Anticipated close of escrow                      October, 2006

#### Condition of Property

On June 21, 2006, staff from the Department of General Services (DGS), Environmental Services Section (ESS) conducted a site visit of the proposed acquisition of an approximately one-fourth-acre parcel near the intersection of Mt. Ranier Drive and North Upper Truckee Road in El Dorado County. Located in a rural, forested residential subdivision, the property is proposed for acquisition by the California Tahoe Conservancy (CTC) to increase open space and provide a site for water quality improvements. The existing residential structure on the property appears to intercept groundwater and surface water runoff, and therefore this

acquisition provides an opportunity for wetland restoration in the Angora Creek watershed. There are existing Conservancy-owned lots on the parcel's southwesterly and easterly boundaries, and an existing improved residential property on the southeasterly side of the property. This acquisition could enhance future Stream Environment Zone restoration efforts in the Angora watershed by providing opportunities to widen the floodplain capacity of this tributary, using the adjoining Conservancy parcels and the proposed acquisition.

A Phase I Environmental Site Assessment report was not available for this property and is not deemed necessary given the surrounding rural and forested environment, as well as the passive uses associated with residential development, compared to commercial uses. No potential problems with hazardous materials, e.g., ground and/or vegetation staining was observed during the Conservancy's inspections of the property. The property's condition as a vacant residential lot, at close of escrow, will be compatible with the proposed future use.

Other:

- The State Public Works Board approved this project for site selection on September 8, 2006.
- The purchase price shall not exceed estimated fair market value as determined by a DGS approved appraisal.
- The property acquisition agreement requires delivery of title to the property free and clear of any mortgages or liens.
- The Property Acquisition Agreement does not include the State's standard indemnification language potentially exposing the State to additional fiscal liability. However, during the site visit in June 2006, the DGS-ESS staff did not identify conditions that would likely pose an exceptional risk to the State. Further, the property use was single family residential; the risk associated with acquiring this property without the standard indemnification is estimated to be low. It should be noted that the lack of indemnification language does not relieve the Seller of liability under existing law.
- The residence is unoccupied and there are no relocation costs involved in this acquisition.
- There are no safety issues pertaining to the property.
- There is no known implied dedication.
- The CTC will, after acquisition, perform site restoration work related to seller's elimination of 1,826 sq. ft. of impervious coverage currently associated with a 960 sq. ft. residential structure and single-car paved driveway (without garage). Once this work is completed under CTC's established budget for such work, CTC's ongoing management obligation will be limited to an annual inspection of the property and minor maintenance of its restoration work.
- The Conservancy will utilize its existing staff and resources for ongoing management obligations, make annual inspections of the property, and perform minor maintenance of its site restoration.

**Staff Recommendation:     Authorize acquisition**

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**CONSENT ITEM**

**CONSENT ITEM – 4**

**DEPARTMENT OF GENERAL SERVICES (1760)  
DEPARTMENT OF FORESTRY AND FIRE PROTECTION (3540)  
SONORA FOREST FIRE STATION, RELOCATE FACILITY  
TUOLUMNE COUNTY**

*Authority: Chapter 324/98, Item 3540-301-0001 (26)  
Chapter 50/99, Item 3540-301-0001 (33)  
Chapter 379/02, Item 3540-301-0660 (14)  
Chapter 208/04, Item 3540-301-0660 (4.5)*

**Approve augmentation**

**\$317,400  
(9.0 percent total project)  
(12.9 percent cumulative)**

**APPROVED 2/0**

## CONSENT ITEM

### STAFF ANALYSIS ITEM – 4

Department of General Services  
Department of Forestry and Fire Protection  
Sonora Forest Fire Station, Relocate Facility  
Tuolumne County

#### Action Requested

**The requested action will augment the construction phase of this project.**

#### Scope Description

**This project is within scope.** The approved project authorizes the acquisition of a six acre site and construction of a two-engine forest fire station, including an 12-bed barracks/messhall (2,940 sf), a 3-bay apparatus building with an office (1,990 sf), a division administration office (1,900 sf), a flammable storage building (400 sf), site work, utilities, paving, and all other appurtenances as needed.

#### Funding and Cost Verification

**This project is not within cost.** The Department of Forestry and Fire Protection (CDF) has requested an augmentation of \$317,400 (9.0 percent total project) to complete the Sonora Forest Fire Station, Relocate Facility project. This augmentation, combined with a previous augmentation of \$137,735 (which was necessary to award the construction contract) will result in a cumulative augmentation of \$455,135 (12.9 percent total project). A total of \$3,525,000 (\$3,116,000 lease-revenue bonds) has been appropriated for acquisition, preliminary plans, working drawings, and construction of this project, including \$2,909,000 for construction. Construction is approximately 95 percent complete.

The increase in costs (\$117,300 contract, \$20,000 contingency, \$180,100 Architecture and Engineering [A&E] and other project costs) is due to various unforeseen site conditions and design errors which resulted in numerous contractor change orders, project schedule delays, and increased A&E and project management costs. Some of the more significant design errors include under-sized fire suppression and domestic water lines, inaccurate identification of the PG&E service connection location, and improperly designed telecommunications and data systems. Consequently, the above changes have also resulted in increased A&E and project management costs to amend design documents, provide for extra inspections, and additional project management time to review contractor change order requests.

Although, the Department of General Services (DGS) intends to seek appropriate reimbursement from the design firm for costs incurred because of design errors, this process cannot be initiated until the project is complete and any contractor claims have been settled. At the conclusion of the project, during the subsequent claims/arbitration period, any excess or recovered funds will be available to help offset this augmentation.

It should be noted that a majority of the above changes have already been completed by the contractor. Because the DGS has not approved these changes, the contractor has taken the risk that these expenses may not be reimbursed (\$117,300). While the state may not be legally required to reimburse these costs, because of the contractor's decision to move forward without first obtaining approval, the DGS recommends that these costs be approved because they are legitimate project costs, which would have been approved had increased funding been approved earlier. DGS believes the contractor could successfully recover these costs through the claims process, which could be more costly. Moreover, should the state fail to reimburse

the contractor for these costs there is a high probability that the contractor would be unwilling to complete the remainder of the project and the state would be left with an unfinished facility until a new contractor could be retained to finish the project.

On September 26, 2006 the Department of Finance notified the chairs of the Joint Legislative Budget, the Senate Appropriations, and Assembly Appropriations Committees of its recommendation that the Public Works Board approve this augmentation after October 16, 2006.

\$3,663,000 total authorized project costs

\$3,980,000 total estimated project costs

\$3,663,000 project costs previously allocated: \$322,000 acquisition, \$87,000 preliminary plans, \$207,000 working drawings, \$3,047,000 construction (\$2,643,000 contract, \$132,000 contingency, \$272,000 A&E and other project costs)

\$317,000 requested augmentation: construction (\$117,000 contract, \$20,000 contingency, \$180,000 A&E and other project costs)

#### CEQA

A Notice of Determination was filed with the State Clearinghouse on August 4, 2000 and the waiting period expired on September 3, 2000.

#### Due Diligence

The Department of General Services prepared a Summary of Conditions Memo on April 30, 2003 for this project and it was noted that no significant issues were identified.

#### Project Schedule

**The project schedule is as follows:**

Complete Construction:                      October 2007

**Staff Recommendation:                      Approve augmentation**

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## CONSENT ITEM

### CONSENT ITEM – 5

**DEPARTMENT OF GENERAL SERVICES (1760)  
DEPARTMENT OF PARKS AND RECREATION (3790)  
OCOTILLO WELLS STATE VEHICULAR RECREATION AREA  
IMPERIAL COUNTY**

DGS Parcel Numbers 6258, 6366, 6575, 6526, 6532, 6626, 6581, 6549, 6258,6357

DPR Parcel Numbers A21626, A21755, A21963, A21914, A21920, A24313, A21969, A21938,  
A21626, A21746

*Authority: Chapter 324/98, 3790-301-0263(1),  
as re-appropriated by Chapter 106/01, Item 3790-490*

**Authorize acquisitions consistent with the staff analysis**

**APPROVED 2/0**

## CONSENT ITEM

### STAFF ANALYSIS ITEM – 5

Department of Parks and Recreation  
Ocotillo Wells State Vehicular Recreation Area (In-holdings)  
Imperial County

Action requested

**Authorize acquisitions for this project.**

Scope Description

**This project is within scope.** The Department of Parks and Recreation (DPR) received funding approval by the Legislature for the acquisition of approximately 7,800 acres of unimproved desert land within the eastern portion of the Ocotillo Wells State Vehicle Recreation Area (SVRA) Park. Since the inception of this legislation the DPR has contracted the services of the Department of General Services (DGS) to acquire in-holdings located within the confines of the SVRA. To date, the DGS has acquired approximately 3,154 acres of in-holdings for the SVRA that have been purchased to expand the park's boundaries for recreational enjoyment by the general public. This request will authorize acquisition of fee simple interest in approximately 100.4 acres of in-holdings in the SVRA as identified below:

<u>Owner(s)</u>	<u>DGS Parcel(s)</u>	<u>DRP Parcel(s)</u>	<u>Acres</u>	<u>Purchase Price</u>
<u>Ernest N. Cuff, William D. Cuff and Winona C. Miller</u>	<u>6258, 6366, 6575</u>	<u>A21626, A21755, A21963</u>	<u>30.4</u>	<u>\$17,240</u>
<u>Harvest Time Produce, Inc.</u>	<u>6526</u>	<u>A21914</u>	<u>20.0</u>	<u>\$11,000</u>
<u>Andrea Michelle White</u>	<u>6532</u>	<u>A21920</u>	<u>20.0</u>	<u>\$ 9,000</u>
<u>Robert &amp; Claire Grussing</u>	<u>6626</u>	<u>A24313</u>	<u>10.0</u>	<u>\$ 6,000</u>
<u>Barbara J. Anthony, Trustee</u>	<u>6581</u>	<u>A21969</u>	<u>10.0</u>	<u>\$ 5,500</u>
<u>Marjorie Tanaka</u>	<u>6549</u>	<u>A21938</u>	<u>10.0</u>	<u>\$4,500</u>
		<b>Total</b>	<b>100.4</b>	<b>\$53,240</b>

Funding and Cost Verification

**This project is within cost.** Chapter 324/98, Item 3790-301-0263(1) provides \$3,600,000 for this acquisition program. The property can be acquired within the remaining funds available and in accordance with Legislative intent.

\$3,600,000 total authorized project costs

\$3,600,000 total estimated project costs

\$2,245,000 project costs previously allocated for various acquisitions

\$57,000 project costs to be allocated for these acquisitions: acquisitions \$53,000, DGS staff costs (title and escrow fees) \$4,000

\$1,298,000 project funds remaining for future acquisitions

## CEQA

A Notice of Exemption (NOE) was filed with the State Clearinghouse on February 25, 1999, and the waiting period expired on April 2, 1999. According to the Department of General Services (DGS) Environmental Service Section (ESS) staff, the NOE filed in 1999 satisfies the CEQA requirements and a new NOE filing is not required.

## Project Schedule

**The project schedule is as follows:**

Anticipated close of escrows                      November 2006

## Condition of Property

On October 27, 2005, a condition of property review of the perspective acquisition parcels for the SVRA was conducted by DGS/ESS staff. The proposed acquisitions consist of 49 parcels ranging in size from 0.22 acres to 30 acres. The parcels are located as existing in-holdings or in close proximity to the SVRA. All of the parcels proposed for acquisition are either in an area of gently sloping topography or within the "badlands" made up of dissected, rapidly eroding topography. During the site review, no improvements were observed on any of the properties nor were any environmental hazards found. A Phase 1 Environmental Site Assessment is not recommended.

## Other:

- This project was approved for site selection by the State Public Works Board on February 9, 2001.
- The purchase prices do not exceed the fair market value as determined by a DGS appraisal.
- Implied dedication may exist because an undetermined portion of the subject parcels may be subject to public use. The desert terrain is typically traversed by the general public without regard for ownership and use of the land is open and notorious.
- Although there has been no history of contamination, the DPR has conducted a review of the property for evidence of contamination from hazardous and toxic materials and there was no evidence or indication of contamination found.
- DPR is not aware of any lawsuits pending concerning the property. The property acquisition agreement will require delivery of clear title to the property.
- The property is vacant and unimproved.
- The State was not able to purchase the mineral rights on certain parcels being acquired. The DPR has determined that the extraction of oil or minerals will not unreasonably interfere with the use of the property. With respect to the Ocotillo Wells SRVA, Public Resource Code 5006.45(c) permits the extraction of mineral rights at the SVRA.
- The staffing pertaining to this acquisition will be absorbed within the DPR's existing support budget.

**Staff Recommendation:     Authorize acquisitions**

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## CONSENT ITEM

### CONSENT ITEM – 6

**DEPARTMENT OF GENERAL SERVICES (1760)**  
**DEPARTMENT OF PARKS AND RECREATION (3790)**  
**ROBERT LOUIS STEVENSON STATE PARK / BANDETTINI**  
**NAPA COUNTY**  
DPR Parcel No. 008171-77; DGS Parcel No. 10425

*Authority: Chapter 106/01, Item 3790-301-0005(27),  
as reappropriated by Chapter 208/04, 3790-491*

**Authorize acquisition consistent with the staff analysis**

**APPROVED 2/0**

## CONSENT ITEM

### STAFF ANALYSIS ITEM – 6

Department of General Services  
Department of Parks and Recreation  
Robert Louis Stevenson State Park / Bandettini  
Napa County

#### Action requested

**The requested action will authorize an acquisition for this project.**

#### Scope Description

**This project is within scope.** The Legislature approved funding for the purchase of land interests that meet criteria established under the Proposition 12 Opportunity Purchases Acquisition Program. This request will authorize the acquisition of approximately 147.2 acres of land that are contiguous to Robert Louis Stevenson State Park and meet the intent of the Legislature.

#### Funding and Cost Verification

**This project is within cost.** Chapter 106/01, Item 3790-301-0005(27), as reappropriated by Chapter 208/04, Item 3790-491, provides \$5,000,000 for this acquisition program. The Legislature approved funding under the 2000 Bond Fund for the purchase of interests in lands that meet criteria established under the Opportunity Purchases Acquisition Program. The balance of the appropriation is sufficient for overhead costs to acquire the subject property in accordance with legislative intent.

\$ 722,000 total authorized project costs

\$ 722,000 total estimated project costs

\$ 2,000 project costs previously allocated (DGS staff costs for appraisal review, ESS sitevisit and CEQA document filing, and staff review)

\$ 720,000 project costs to be allocated: \$697,000 for acquisition and approximately \$23,000 for title, escrow and other review fees.

#### CEQA

A Notice of Exemption was filed with the State Clearinghouse on April 28, 2006, and the 35-day statute of limitations expired on June 2, 2006.

#### Project Schedule

**The project schedule is as follows:**

Anticipated close of escrow October 2006

#### Condition of Property

Department of General Services (DGS), Environmental Services Section (ESS) staff conducted a follow up site visit to the Robert Louis Stevenson State Park "Bandettini" acquisition on August 29, 2006. No changes were noted in the site evaluation and the same tenant is occupying the residence. Access is restricted due to a locked gate. The previous Condition of Property Statement was completed on October 19, 2005 and contained the following information: The acquisition consists of approximately 147.2 acres of land containing a small barn and associated corral, a small house and associated pond, and a storage shed and

associated corral. The property is located in a relatively remote area near Mount St. Helena in the northwestern portion of Napa County, approximately eight miles north of the city of Calistoga, California.

The proposed addition will expand the existing Robert Lewis Stevenson Park. Because portions of the property contain structures and other development a Phase I Preliminary Site Assessment (PSA) was prepared for the acquisition (Edd Clark and Associates, Inc., October 2004). The PSA was reviewed by DGS-ESS staff and found to be in accordance with the American Society for Testing and Materials standard E1527. "No recognized environmental concerns were identified on the subject property or in the immediate offsite area that would appear to represent a potential threat of an adverse impact to soil or groundwater at the subject site" (Edd Clark & Associates, Inc., 2004:8).

Water on site is provided by natural springs and piped into a settling tank and then to a storage tank and pressure tank for domestic use. The current occupants of the house have implemented a domestic water conservation plan that recycles "grey" water (sinks, washer, etc.) from the home for secondary use as irrigation water. While the use of grey water can pose potential water quality concerns none were observed on this property.

Since the existing residence will remain following acquisition DGS-ESS recommend that prior to use or occupancy of the house an inspection of the roof, electrical, water, plumbing, and septic systems be conducted by the appropriate qualified professionals. The objective of this inspection would be to assure the safety and protection future residents; however, the house contains no known hazardous conditions.

No evidence of potential problems with hazardous materials, undocumented storage tanks, buried debris, etc., was observed during the DGS-ESS site visit. The property is compatible with the proposed future use as an addition to the Robert Louis Stevenson State Park for purposes of open space preservation, habitat protection, and recreational use.

#### Other

- The purchase price shall not exceed the fair market value of the property, as determined by the DGS.
- This acquisition is contiguous to the existing Robert Louis Stevenson State Park on its eastern boundary. Access to the property is provided by a graded gravel and dirt roadway leading to the property, and to the interior of the adjacent State park, that has provided access for over 70 years. The title company will insure access in the absence of a recorded easement.
- The property includes a small residence, with wood deck, pond, stables and corrals. There is one tenant on the property who serves as a caretaker for the owner. It is DPR's intent to relocate the tenant and keep the structure for potential DPR District staff use, i.e. a ranger station.
- The one tenant that resides on the property is entitled to relocation assistance. DGS completed a Relocation Entitlement Report and the cost of relocation is estimated to be \$15,825.
- DGS-ESS noted that access is restricted due to a locked gate. There will be no impact to State's use. The State will have use of the road, and have a key to the gate.
- There is a Memorandum of Agreement (MOA) defining the terms and conditions whereby PG&E provides electric service to the owner and others by means of the owner's privately owned distribution line. The distribution line is to remain in place and provides service to the residence on the property. The DPR does not anticipate that the MOA will impact their program and/or use of the property.
- The mineral rights were reserved in patent to a prior grantor. The appraiser noted that mineral rights are a non-issue for properties of this type in this area, and the market value of

this property is not impacted by this mineral rights issue. DPR checked with the California Department of Conservation's Abandoned Mine Land Units, which researched the location and determined that there does not appear to be any recorded land mines on the property, and DPR believes that the reservation of mineral rights will not adversely affect the State's intended use of the property based on there being no record of activity in the past.

- DPR is not aware of any lawsuits pending concerning the property.
- The Property Acquisition Agreement will require conveyance of the property free and clear of all taxes, liens, encumbrances, assessments, easements, leases or other defects of title, except as noted above.
- The Bandettini parcel is a 147.2-acre in-holding acquisition on the eastern boundary of Robert Louis Stevenson State Park. The management plan is to provide periodic patrols of the property as part of the routine patrols for the entire park unit. As such, no additional support needs are anticipated with the acquisition of the property.
- While DPR does not foresee changes at this time to public access, development, or resource needs, any such changes will be addressed through the normal budget process.

**Staff Recommendation:     Authorize acquisition**

**CONSENT ITEM**

**CONSENT ITEM – 7**

**DEPARTMENT OF GENERAL SERVICES (1760)**  
**DEPARTMENT OF PARKS AND RECREATION (3790)**  
**TOMO-KAHNI STATE HISTORIC PARK, BIGGS**  
**KERN COUNTY**  
DGS Parcel Number 10233, DPR Parcel Number A42101/7449-77

*Authority: Chapter 379/02, Item 3790-301-6029(6),  
as reappropriated by Chapters 38 and 39/05, Item 3790-491*

**Authorize acquisition consistent with the staff analysis**

**APPROVED 2/0**

## CONSENT ITEM

### STAFF ANALYSIS ITEM – 7

Department of General Services  
Department of Parks and Recreation  
Tomo-Kahni State Historic Park, Biggs  
Kern County

#### Action requested

**The requested action will authorize acquisition for this project.**

#### Scope Description

**This project is within scope.** The Legislature approved funding from Proposition 40: California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund for new acquisitions for the State Park System without specifying particular parcels. This request will authorize acquisition of fee simple interest of approximately 80 acres as an addition to the Tomo-Kahni State Historic Park.

The proposed acquisition includes a complete range of features and artifacts representing the Kawaiisu Native Americans that occupied the area approximately 500 to 2,000 years ago. The numerous archaeological features include well-defined house rings, food grinding areas, and polychrome pictographs within sacred caves. The successful completion of this acquisition will preserve an important prehistoric to protohistoric habitation site for all future generations, and will meet the Department of Parks and Recreation's (DPR) program objective to preserve and protect the State's rich and diverse cultural heritage.

#### Funding and Cost Verification

**This project is within cost.** Chapter 379/02, Item 3790-301-6029(6), as reappropriated by Chapter 38/05, Item 3790-491, provides a total of \$40,000,000 for the acquisition of high priority parcels of land. The balance of the appropriation is sufficient for overhead costs to acquire the subject property in accordance with legislative intent.

\$130,000 total authorized project costs

\$130,000 total estimated project costs

\$3,000 project costs previously allocated (DGS staff costs)

\$127,000 project costs to be allocated: \$120,000 acquisition and approximately \$7,000 in overhead costs

#### CEQA

A Notice of Exemption/Determination was filed with the State Clearinghouse on June 9, 2004 and the 35-day statute of limitations expired on July 14, 2004.

#### Project Schedule

**The project schedule is as follows:**

Anticipated close of escrow October 2006

### Condition of Property

The acquisition consists of one parcel (Biggs property) of undeveloped land comprising approximately 80 acres near Tehachapi, Kern County, California. On July 24, 2006, Department of General Services (DGS), Environmental Services Section (ESS) staff conducted a site visit together with a planner from the Department of Parks and Recreation. The Biggs property consists entirely of undeveloped high desert habitat with scattered junipers, sage and rabbit brush. It is steep and rocky with significant archeological resources including mortar holes, pictographs, and scattered chert. No negative environmental conditions were observed during the site visit. The property is essentially pristine and compatible with the proposed future use.

A Phase I Environmental Site Assessment report was not available for this property and is not deemed necessary given the physical setting of the parcel. No additional potential problems with hazardous materials, e.g., ground and/or vegetation staining were observed during the DGS/ESS visit.

### Other:

- The property is vacant and unimproved. There is no relocation assistance involved with this property.
- There is no known implied dedication.
- The project was approved for site selection by the State Public Works Board on August 13, 2004.
- The purchase price does not exceed the estimated fair market value as determined by a DGS approved appraisal.
- Mineral rights with surface rights of entry have been reserved on the property by prior deeds. A review of the records from the Department of Conservation and the California Geological Survey indicate no exploration or extraction of minerals in the area.
- 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.
- This proposed acquisition will consolidate DPR's control of access, provide a buffer against private use for existing State Park lands, and allow patrol by State Park Rangers to better protect the resources. DPR plans on providing very limited authorized public access to the property which will only require visual patrols by existing staff. Therefore, DPR estimates minimal ongoing support costs for the maintenance and operation of this property.
- While DPR does not foresee changes at this time to public access, development, or resource needs, any such changes will be addressed through the normal budget process.

**Staff Recommendation:     Authorize acquisition**

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## ACTION ITEM

### ACTION ITEM – 8

DEPARTMENT OF GENERAL SERVICES (1760)  
DEPARTMENT OF MENTAL HEALTH (4440)  
ATASCADERO STATE HOSPITAL, UNIMPROVED LAND – PALOMA CREEK PARK,  
CITY OF ATASCADERO, COUNTY OF SAN LUIS OBISPO  
Surplus Parcel Number SSL 581P

*Authority:* Chapter 417/96

**Authorize the sale of state surplus property consistent with the staff analysis**

**APPROVED 2/0**

## ACTION ITEM

### STAFF ANALYSIS ITEM – 8

Department of General Services  
Department of Mental Health  
Atascadero State Hospital, Unimproved land of 19.5 acres known as Paloma Creek Park  
San Luis Obispo County

Action requested

**The requested action will authorize the sale of state surplus property.**

Scope Description

**This project is within scope.** Pursuant to Government Code Section 11011.1 and as authorized by Chapter 417, Statutes of 1996, the Director of the Department of General Services, with the approval of the State Public Works Board, is authorized to sell, exchange, or lease for current market value, or for any lesser consideration authorized by law, all or part of approximately 19.5 acres of excess land at Atascadero State Hospital, located on the corner of Viejo and Halcon Road, City of Atascadero, County of San Luis Obispo. The Department of Mental Health has determined that the property is not needed for any current or future program purposes, and declared it surplus to the agency's needs.

### Funding and Cost Verification

The costs associated with the sale of the state surplus property are administrative staff costs of \$28,000. These cost will be paid form the gross proceeds of the sale. No future costs have been identified with the approval of this sale.

### Project Schedule

**The project schedule is as follows:**

Anticipated close of escrow                      October 2006

### Other

- Pursuant to Government Code Section 11011.1 the property was offered to state and local governmental agencies with the City of Atascadero expressing an interest in purchasing the property. The City has been leasing this public park from the state for the past 30 years.
- In order to transfer this parcel to the City of Atascadero for less than market value, Government Code Section 11011.1(b) requires a local general development plan that has been approved by the Director of Parks and Recreation and a demonstration that such a transfer would be in the public's best interest. These requirements have been met as the park is already developed and used by the public.
- The state's deed provides that in perpetuity, the land will revert back to the state if the use is inconsistent with parks and recreation purposes.
- The approved appraised value of the property is \$1,500,000 dated May 2006. The total purchase price to be paid by the City of Atascadero for the Paloma Creek Park will be \$750,000, which represents 50% of the appraised value.
- Pursuant to Article III, Section 9 of the California Constitution, the net proceeds of any monies received from the disposition are to be used to pay principal and interest on bonds issued pursuant to the Economic Recovery Bond Act.
- The state will reserve the mineral rights, as defined in Public Resources Code Section 6407, for properties of more than 15 acres in size.

**Staff Recommendation:     Authorize the sale of state surplus property**

**OTHER BUSINESS**

**OTHER ITEM – 9**

Approve the 2007 State Public Works Board Calendar

**APPROVED 2/0**

**REPORTABLES**

To be presented at meeting.

Respectfully Submitted  
By:

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Karen Finn  
Administrative Secretary