



CALIFORNIA STATE
PUBLIC WORKS BOARD

ARNOLD SCHWARZENEGGER, GOVERNOR

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STATE PUBLIC WORKS BOARD
January 13, 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
Ms. Windie Scott, Deputy Director, 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

STAFF PRESENT:

Brian Dewey, Assistant Administrative Secretary, State Public Works Board
Rocel Bettencourt, Assistant Administrative Secretary, State Public Works Board
Jacqueline Sapp, Budget Analyst, Department of Finance
Chris Lief, Budget Analyst, Department of Finance
Randy Katz, Budget Analyst, Department of Finance
Theresa Gunn, Assistant Administrative Secretary, State Public Works Board
Matt Schuller, Budget Analyst, Department of Finance
Christina Ahn, Budget Analyst, Department of Finance
Koreen Hansen, Budget Analyst, Department of Finance
Georgia Johas, Budget Analyst, Department of Finance

OTHERS PRESENT:

Pat Rogers, Department of Park and Recreations
Clyde Jensen, Department of Justice
Shelley, Petavini, California Conservation Corps
Rick Stolz, Department of Parks and Recreations
Marianne Wetzel, Department of General Services, PWB
Sabrina Winn, Department of General Services, RESD
Henry Nanjo, Department of General Services PWB
Gordon Burns, Attorney General's Office
Liz Yokoyama, Department of General Services, RESD
Warren Westrup, Department of Park and Recreations
Taylor Urban, State Treasurer's Office
Richard Myren, Department of General Services PMB
Gary Lewis, Department of General Services PMB

OTHERS PRESENT: Continued

Liz Steller, Department of Park and Recreations

Mike Miller, California Department of Corrections and Rehabilitation

John Schwander, California Department of Corrections and Rehabilitation

Kent Ramero, California Department of Corrections and Rehabilitation

Nathan Lanni, California Department of Corrections and Rehabilitation

CALL TO ORDER AND ROLL CALL:

Ms. Anne Sheehan, Chief Deputy Director for the Department of Finance called the meeting to order at 10:05 p.m. Karen Finn, Administrative Secretary for the State Public Works Board, called the roll. A quorum was established.

The minutes from the December 9, 2005 meeting were approved

BOND ITEMS:

Ms. Finn announced that there was only one bond item. Bond Item #1 Department Of Veterans Affair (8950) Greater Los Angeles and Ventura County Homes. The requested action would adopt a resolution authorizing the use of interim financing to be repaid from the Public Buildings Construction Fund and the eventual sale of lease revenue bonds. Staff recommended adoption and approval of the resolution.

Mr. Tom Johnson, Secretary of Veteran Affairs spoke of his approval for this item and offered to answer any questions about it.

A motion was made by Mr. Lujano and Second by Ms. McKim to approve Bond Item #1.

Bond Item #1 was approved by a 5-0 vote.

CONSENT CALENDAR:

Ms. Finn reported the consent calendar. In summary, the Consent Calendar covered items #2 through #14 and proposed:

- 1 request to approve an augmentation to provide funds to allow Department of General Services to provide legal dispute to the contractor's claim, [2]
- 1 request to authorize an acquisition of real property through a no cost acquisition, [3]
- 2 requests to authorize a site selection, [4,5]
- 2 requests to recognize a scope change, [6,8]
- 5 requests to approve preliminary plans, [7,9,11,12,13]
- 1 request to recognize a scope change and anticipated deficit, [10]
- 1 request to re-establish project scope and cost; and approve preliminary plans, [14]

There were **four** 20-day letters for Items #2, #6, #8, and #10.

**1) Item #2, DEPARTMENT OF JUSTICE (0820)
FRESNO FORENSIC LABORATORY
FRESNO COUNTY**

Replacement Forensic Laboratory

—Augmentation—On January 12, 2006 the Department of Finance notified the chairs of the Joint Legislative Budget, the Senate Appropriations, and the Assembly Appropriations Committees of its intent to approve this augmentation on February 1, 2006. Approval of this item was contingent on the expiration of the 20-Day period without comment.

**2) Item #6 DEPARTMENT OF PARKS AND RECREATION (3790)
MOUNT DIABLO STATE PARK, CONTRA COSTA COUNTY**

Primary Road System Improvements

— Scope Change—On December 1, 2005 the Department of Finance notified the chairs of the Joint Legislative Budget, the Senate Appropriations, and Assembly Appropriations Committees of its intent to approve this scope change after December 21, 2005. The 20-Day notification period has expired without comment.

**3) Item #8, UNIVERSITY OF CALIFORNIA (6440)
RIVERSIDE CAMPUS, RIVERSIDE COUNTY**

Psychology Building

—Scope Change— On December 1, 2005 the Department of Finance notified the chairs of the Joint Legislative Budget, the Senate Appropriations, and Assembly Appropriations Committees of its intent to approve this scope change after December 21, 2005. The 20-Day notification period has expired without comment.

**4) Items #10, CALIFORNIA STATE UNIVERSITY (6610)
MONTEREY BAY CAMPUS, MONTEREY BAY COUNTY**

Library

—Scope Change and anticipated deficit—On January 12, 2005 the Department of Finance notified the chairs of the Joint Legislative Budget, the Senate Appropriations, and Assembly Appropriations Committees of its intent to approve the scope change after February 1, 2005.

Ms. Finn added, " we noticed the Legislature on December 22nd on augmentation needs for 7 projects at various departments to comply with the Governor's executive order s-20-04 which states the commitment to design construct projects to comply with the Leadership and Environmental Design (LEED) criteria. These standards are consensus based national standards for high performance, sustainable buildings and are administered by the US Green Building Counsel. These standards are used by the private sector, federal government to promote the design and construction of buildings that are environmentally responsible, economically profitable and ecologically healthy.

While none of the projects are proposed to exceed the 10% level which is the notification threshold the Administration felt it important to let the legislature know of this policy decision that had been made and to let them know that we are intending to begin this process on projects that were currently in design. The 20 day period expired last Tuesday, however, the Speaker's office staff had asked for more information. As soon as we have confirmed that there are no outstanding issues we will inform the departments to move forward with the projects. "

In summary the staff recommended approval of the **Consent Calendar** consisting of **Items #2 thru #14**.

Ms. Sheehan asked for assurance that none of the LEEDs project changes would go over the ten percent augmentation limit of total project cost.

Ms. Finn answered that the seven projects in question were picked specifically for approval because it was thought there would be no problems of cost. Although the Board would have to wait for after the bids were done for this to become 100 percent certain.

Ms. Sheehan asked about other projects that later LEEDs conversions might interfere.

Ms. Finn answered that all future projects under considerations would have the new designs already built into the project cost for the Legislature to approve. The reason for the increased cost with the seven was because they have already had work started based on the older design specifications

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

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

ACTION ITEMS:

Ms. Finn reported about **Action Items #15 and #16**. They were for the same project and were to authorize an acquisition of real property and approve performance criteria and concept drawings for the Department of Transportation (Caltrans) District 3 Headquarters Office Building in downtown Marysville. There had been a lawsuit filed against the State regarding the Final EIR prepared for the project. Based on discussions with the Attorney General's Office, the staff felt that it was appropriate to move forward with the project at this time.

Mr. Gordon Burns from the Attorney General's office was there to brief the board on the lawsuit and answer any questions the board may have. He told of the lawsuits brought by two limited liability corporations that own commercial property in Marysville that filed in early November. Mr. Burns noted that they own commercial space in which Caltrans currently uses that Caltrans would vacate if the project continues. He stated that this was a simple complaint entirely based on the California Environmental Quality Act report that they claim is insufficient. The main issues were traffic and parking and well as historical use versus pedestrian safety. He told further details and related that a motion for dismissal was served.

Ms. Sheehan asked what the possibilities of the building project not moving forward.

Mr. Burns answered that there was no hint that the plaintiffs wanted to file an injunction; hence, no reason to presume that the project should be stopped by the courts.

A motion was made by Ms. McKim and Second by Mr. Joseph to approve Action Items #15 and #16

Action Items #15 and #16 were approved by a 3-0 vote.

Ms. Finn then reported on **Action Item #17** which was to authorize an acquisition of real property for the Department of Parks and Recreation. This request would authorize the acquisition of approximately 0.68 acres that consists of three contiguous parcels and encompasses the former main entrance (Front Gate) to El Presidio Real de Santa Barbara (El Presidio), the oldest building in Santa Barbara and the second oldest in California. This acquisition would facilitate the completion of Phase III of the development of El Presidio de Santa Barbara State Historic Park.

Ms. Finn said “that the item is being presented separately to highlight certain facts that make this transaction different than Parks’ more typical acquisition projects. First, this property is currently owned by the Santa Barbara Trust for Historic Preservation and is encumbered with a perpetual parking easement, held by a private third party, Presidio Properties. While this parking easement will generate some operating revenues, Parks will not be able to develop the historic features of the site as planned in Phase III, until this easement is acquired or replaced with equivalent rights elsewhere. Depending on the timing of a decision to develop this site, the removal of this easement could result in potentially significant costs. Because this historic site is currently being protected by a non-profit organization, it is unclear how Parks’ ownership of this property will provide a significant public benefit.”

“As such, Parks has been asked to briefly explain how Parks’ ownership of this property is important and how Parks intends to eventually remove the parking easement and develop the property for the purpose for which it is being acquired.”

Ms. Sheehan asked in the public had any comments on any items or projects discussed so far. No response was forthcoming.

Mr. Warren Westrup, Acquisition Chief for the Department of Parks and Recreations (Parks) introduced himself and told further detail relating to the partnership between Parks and a non-profit Trust for Historic Preservation for the City of Santa Barbara (Trust). Mr. Westrup introduced Jerry Jackman who was the Executive Director for the Trust, Rege Rojas, Superintendent for Parks, and Pat Rogers, Project Manager for Parks to help answer questions. Mr. Westrup gave historical details explaining what made this acquisition so unique.

Mr. Joseph asked for more information about the alternatives considered about the parking situation

Mr. Westrup answered that moving a portion of the parking availability to another location was being considered. Also to eventually move all of the parking spaces elsewhere.

Ms. Sheehan asked about the cost of locating alternative parking.

Mr. Westrup answered that the cost would be offset by the revenue being generated currently by the paid parking lot. Mr. Westrup said that in the future Parks would be coming back again to ask for further money to more permanently resolve this issue when a reasonable solution had been found.

Mr. Jerry Jackman told further details and an overview about the project. He reported of plans to erase the easement on the parking area.

A motion was made by Mr. Joseph and Second by Ms. McKim to approve Action Item #17

Action Item #17 was approved by a 3-0 vote.

Ms. Finn then reported on the last **Action Item #18** which would authorize an acquisition of real property through the Federal Surplus Real Property Transfer Program at no cost for the Department of Corrections and Rehabilitation. The property was contiguous to the California Rehabilitation Center, a prison down in Norco, CA.

The request would authorize acquisition of 5.74+/- acres of land improved with a three-story, 64,000+/- square foot building with parking. The proposed acquisition would be subject to providing continued public benefit for correctional use through the Federal Surplus Real

Property Transfer Program and will be at no cost to the State with the exception of staff overhead in the preparation of documents, due diligence and related studies.

The building was constructed in 1942 by the Department of Navy and was subsequently utilized as a U.S. Army Reserve Center. The building had been vacant for approximately seven years, although the grounds of the property had been licensed to California Department of Corrections & Rehabilitation's (DCR) California Rehabilitation Center (CRC) since April, 2002 and had been utilized primarily for parking.

The building had serious seismic deficiencies and would either need to be demolished or renovated if it ever is used. Currently the department intends to continue to use the site as parking lot. It provides the department some options in the event any future growth was envisioned at that site. Staff recommended approval.

Ms. Sheehan asked if the structure could be used for any other purposes.

Ms. Finn answered that her understanding was that it could not.

Mr. Bob Sleppy with the Department of General Services, explained about the condition of the building mentioning that it contains asbestos around the pipes, lead paint and seismically unsound for today's standards. That the prison is surrounded by houses and this acquisition provides extra room for current parking and future expansion.

A motion was made by Mr. Joseph and Second by Ms. McKim to approve Action Item #18

Action Item #18 was approved by a 3-0 vote.

REPORTABLES:

Ms. Finn told the Board that there were **nine** reportable items for this month that staff has approved under authority delegated by the Board.

OTHER BUSINESS:

Ms. Finn reported there was no other business for the board?

NEXT MEETING:

Ms. Finn concluded that the next regularly scheduled meeting was set for:

Friday, February 10, 2006, at 10:00 AM, State Capitol, Room 113.

Chair: ADJOURNMENT (the chair adjourns the meeting)

End at 10:35

BOND ITEM

BOND ITEM – 1

DEPARTMENT OF VETERANS AFFAIR (8950)
LOS ANGELES AND VENTURA COUNTIES
Greater Los Angeles and Ventura County Homes

Authority: Government Code §§15819.60 and 15819.65

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. Authorize the execution and delivery of the Construction Agreement between the Department of General Services and the State Public Works Board, with the consent of the Department of Veterans Affairs.
3. Authorize the sale of the State Public Works Board Bonds.

Total estimated cost: \$106,945,000

APPROVED 5/0

BOND ITEM

STAFF ANALYSIS ITEM – 1

Department of Veterans Affairs
Greater Los Angeles and Ventura County Homes

Action Requested

The requested action will adopt a resolution authorizing interim financing.

Scope Description

The Greater Los Angeles and Ventura Counties (GLAVC) project will construct a 516-bed veterans' home offering various levels of care at three sites. The largest of the three facilities will have 396 beds in 373,000 gross square feet in West Los Angeles. The other two facilities, located in Lancaster and Ventura, will each have 60 beds in approximately 47,000 gross square feet and also contain a maximum 50 person adult daycare facility.

Funding and Project Cost Verification:

Of the \$263.8 million total project cost, approximately \$125.9 million is anticipated to be funded through a grant from the federal government. This amount may increase once these plans are

submitted to the USDVA. The remaining project costs will be funded by the state through \$106.9 million lease revenue bonds authorized in Government Code §15819.65 and \$31.0 million general obligation bonds authorized in Military and Veterans Code §1104.1.

\$263,828,000

total estimated project cost

\$12,825,000

project costs previously allocated: preliminary plans

\$251,003,000

project costs to be allocated: working drawings \$10,803,000; and
construction \$240,200,000

CEQA

The Environmental Impact Report was filed with the State Clearinghouse on December 9, 2005, and the waiting period expired on January 8, 2006

Project Schedule

The project schedule is as follows:

Preliminary plans approved:	January 2006
Working drawings approved:	December 2006
Complete construction:	
Lancaster	October 2008
Saticoy	October 2008
West LA	February 2010

Due Diligence

Due diligence will be completed by late January 2006 for the Lancaster and Ventura sites. DGS has indicated that they do not expect any significant due diligence concerns with either site. DGS is currently in the process of acquiring the 13.4 acre West LA site. This site is presently owned by the USDVA as part of the adjoining Los Angeles veterans hospital and will not be transferred to the state until all work on creating and approving sharing agreements is complete. Pursuant to federal regulations 38 CFR §59.60, title to the land must be held by the state as a condition of receiving federal funds for the GLAVC project.

Other

- This action will supersede the interim financing amount of \$78,158,000 that was established for the GLAVC project at the February 11, 2005 SPWB meeting. The increase in the amount of lease revenue bond authority reflects the totals upon the reestablishment of scope and cost for this project, which is a consent item within this agenda.

Staff Recommendation: Adopt resolution contingent upon approval to reestablish scope and cost.

CONSENT ITEM

CONSENT ITEM – 2

DEPARTMENT OF JUSTICE (0820)
FRESNO FORENSIC LABORATORY
FRESNO COUNTY
Replacement Forensic Laboratory

Authority: Chapter 324/98, Item 0820-301-0001 (3)
Chapter 50/99, Item 0820-301-0001 (3)
Chapter 50/99, Item 0820-301-0001 (3) EO CO 00/01
Chapter 52/00, Item 0820-301-0001(1.5)
Chapter 52/00, Item 0820-301-0001(1.5) EO CO 01/02
Chapter 52/00, Item 0820-301-0001(1.5) EO CO 04/05
Chapter 52/00, Item 0820-301-0001 (1.5)

a. **Approve augmentation** **\$390,000**

(13.7 percent of construction phase)
(13.1 percent of total project)

APPROVED 3/0

CONSENT ITEM

STAFF ANALYSIS ITEM – 2

Department of Justice
Fresno Replacement Forensic Laboratory

Action Requested

The requested action will approve an augmentation to provide funds to allow DGS to provide legal dispute to the contractor's claim.

Scope Description

This project is within scope. This project, completed in May of 2003, constructed a 36,000 square foot Forensic Laboratory. The administration area consists of office space for a staff of 28 including the following: reception area, records file room, copy and supplies room, employee room, conference room, library, showers & lockers, and a separate rest rooms for both employees and visitors.

The laboratory area includes the following: evidence reception area, evidence viewing room, evidence vault with 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 each) and trace microscopy area,

instrument room, QD exam, clean lab room, vehicle exam with lift, SEM rooms (2 each), dark room, blood alcohol/intox, and maintenance shop. Site work, parking, and utilities included.

Funding and Cost Verification

This project is not within cost. This project is 13.1% over total budget.

The requested augmentation is necessary to defend the State against a lawsuit submitted by the general contractor. These funds will pay for staff time of DGS- Office of Legal Services, DGS-Project Management Branch, and the Attorney General's Office, as well as the hiring of an outside claims consultant.

The DGS, on behalf of the DOJ, completed construction of the above project in May 2003. Since that time, the contractor has filed suit against the State seeking compensation for delays in the projects completion allegedly due to the States inability to process paperwork in a timely manner. The State contends that it did not delay the construction of the project, and delays were caused by the contractor's failure to diligently perform the work required to complete the project on time and therefore the contractor owes the State liquidated damages for four months worth of time overruns on the project. The DGS has reviewed the claim submitted by the general contractor and finds it to be without merit. Payment of the claim would not be in the best interest of the taxpayers of the State of California.

On January 12, 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 February 1, 2006.

\$14,338,874	Total estimated project costs
\$13,948,874	Project costs previously allocated: Preliminary Plans (\$397,000), Working Drawings (\$615,000, \$54,000) & Construction (\$11,670,000, \$1,142,000, \$70,000)
\$ 390,000	Project costs to be allocated: construction (\$390,000 other (less A/E))

CEQA

A Notice of Exemption was filed with the State Clearinghouse on December 9, 1999. The 30-day waiting period was concluded with no legal challenges.

Project Schedule

The project schedule is as follows:

Complete construction: May 2003

Staff Recommendations: Approve augmentation contingent upon expiration of the 20-day notification period

CONSENT ITEM

CONSENT ITEM – 3

DEPARTMENT OF GENERAL SERVICES (1760)
DEPARTMENT OF PARKS AND RECREATION (3790)
BUTANO STATE PARK, GIRL SCOUT CREEK (SAVE-THE-REDWOODS LEAGUE)
SAN MATEO COUNTY
DPR Parcel Number A008299-77, DGS Parcel Number 10400

*Authority: Public Resources Code, Section 5005
Chapter 157/03, Item 3790-301-6029(10)*

- a. Authorize acquisition of real property through a no cost acquisition

APPROVED 3/0

CONSENT ITEM

STAFF ANALYSIS ITEM – 3

Department of General Services
Department of Parks and Recreation
Butano State Park, Girl Scout Creek (Save-the-Redwoods League)

Action requested

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

Scope Description

This project is within scope. This request will authorize the Department of Parks and Recreation (DPR) to acquire an 80-acre parcel of land at no cost for purposes of ensuring permanent protection of watershed and forest land and provide the opportunity to expand Butano State Park. The property is situated approximately one-quarter mile north of the northern boundary of the park. In addition to the fee acquisition, DPR would assume access rights via a license agreement that would provide access from the subject parcel to Butano Canyon Road, a county road.

Funding and Cost Verification

This project is within cost. The Public Resources Code, Section 5005, allows DPR to receive and accept in the name of the people of the State any gift, dedication, devise, grant, or other conveyance of title to or any interest in real property, including water rights, roads, trails, and rights-of-way, to be added to or used in connection with the park system. It may receive and accept gifts, donations, contributions, or bequests of money to be used in acquiring title to or any interest in real property, or in improving it as a part of or in connection with the State Park

System, or to be used for any of the purposes for which the department is created. It may also receive and accept personal property for any purpose connected with the State Park System.

Chapter 157/03, Item 3790-301-6029(10) provides a total of \$35,000,000 for the acquisition of high priority parcels of land. The balance of the appropriation is sufficient for overhead costs (e.g., title/escrow fees and Department of General Services staff time to conduct due diligence) of the subject property (\$10,000) in accordance with legislative intent.

CEQA

A Notice of Exemption was filed with the State Clearinghouse on November 17, 2005, and the 35-day statute of limitations expired on December 22, 2005.

Project Schedule

The project schedule is as follows:

The anticipated close of escrow is February 2006.

Condition of Property

The Department of General Services (DGS) Environmental Services Section (ESS) conducted a condition of property site inspection on 80 acres of property known as Girl Scout Creek at Butano State Park on November 7, 2005.

The property is located just north of the existing Butano State Park and is separated from the park by another 80-acre parcel. It is characterized primarily by old redwood forest growth and steep hillsides and is generally accessed via Butano Canyon Road. The 80-acre subject parcel is surrounded by second growth redwood (*Sequoia sempervirens* species) forest. The subject property has been historically protected by the University of California and more recently by the Save-the-Redwoods League (SRL). The University of California disposed of this property through negotiations with a real estate agent based on a market appraisal and grant deed to the Save-the-Redwoods League. No structures or any improvements exist on the site. No hazardous conditions were found on the subject site.

A Phase 1 Environmental Site Assessment was not performed on this property, nor is it deemed necessary because of its pristine nature.

Other:

- The property was acquired by the SRL for \$720,000 with the assistance of a State Coastal Conservancy (SCC) grant in the amount of \$181,500, and a \$350,000 donation from Federal Oil Spill Restoration funds.
- The SRL will offer this property at no additional cost to the State with the condition that DPR and SRL enter into a use restriction agreement that requires the State to use the property for park purposes. The use restriction can be removed if either of two actions occur: (1) the Legislature makes a finding that all or part of the property is in excess of the State's foreseeable needs and therefore, authorizes the sale of the property; or (2) the State Public Works Board (PWB) recommends that a transfer of the property to another State agency is necessary for a higher and better public purpose. If the use restriction is removed in either of these events, the DPR, contingent upon appropriation and availability of funds, will be required to pay the SRL 26 percent of the current market value of the property at that time or 26 percent of the pro rata value of the portion thereof that is designated for alternative use at that time; and pay another 25 percent to the SCC for the pro rata value of the property at that time, or 25 percent of the portion designated for alternative use. Both payments will exclude the value of any State improvements on the property.

- The DPR is not aware of any lawsuits pending concerning the property. The Property Acquisition Agreement (PAA) 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.
- This property is subject to an unrecorded SCC grant agreement in the amount of \$181,500 that requires that the property be maintained for habitat and resource protection, open space preservation, and public access, and is also subject to an unrecorded agreement between the United States Fish and Wildlife Service (USFWS), the California Department of Fish and Game (DFG), and the DPR. The latter grant agreement provides approximately \$350,000 for the acquisition and \$50,000 for the management, monitoring, enhancement, and protection of the Marbled Murrelet nesting habitat located on the property with funding provided from federal Oil Spill Restoration funds.
- The agreement between USFWS, DFG, and DPR creates a contractual mechanism among the parties to ensure enhancement and protection of the Marbled Murrelet nesting habitat located on the property. The DPR, with the assistance of the \$50,000 endowment, will prepare a Management Plan in accordance with the agreement and the Command Oil Spill Restoration Plan.
- This acquisition includes a license agreement for access over an approximate 1,400 foot strip of land owned by the Girl Scouts of San Francisco Bay Area, a California nonprofit organization. This land will be used to access the subject property from a county road, Butano Canyon Road. The license limits DPR's access to the property by: (1) the number of trips per calendar year without incurring a charge; and (2) one-week advance notice prior to access of the property. The DPR is aware of these conditions and is satisfied that this will not negatively impact its use of this access. Due to the property's relative remoteness and isolation, lack of any known problems or issues, and its acknowledged primary use as protected habitat, it is unlikely that DPR's operations will be adversely impacted or constrained by the terms and conditions of the license agreement. Furthermore, in times of emergency, the DPR has law enforcement authority to access and patrol the property without regard to the license's limitations. The DPR is also evaluating the acquisition of additional properties that may help to further minimize the use of this license in the future.
- The PAA does not include the State's standard indemnification language, potentially exposing the State to additional fiscal liability; however, the ESS site visit of this property did not identify conditions that would likely pose an exceptional risk to the State. Further, given the fact that the property is largely unimproved natural habitat, the risk associated with acquiring this property without the standard indemnification is low. It should be noted that the lack of indemnification language does not relieve the Seller of liability under existing law.
- This property is being acquired for resource protection and habitat protection. This property is in a remote area and consists of rugged forest land. As such, minimal public access/use is anticipated. The property will be patrolled by existing staff to ensure that the habitat remains intact. Therefore, the DPR does not anticipate the need for additional resources as a result of this acquisition.
- While the 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 the acquisition of real property through a no cost acquisition

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CONSENT ITEM

CONSENT ITEM – 4

DEPARTMENT OF GENERAL SERVICES (1760)
DEPARTMENT OF PARKS AND RECREATION (3790)
MONTGOMERY WOODS STATE RESERVE, ROSS (SAVE-THE-REDWOODS LEAGUE)
MENDOCINO COUNTY
DPR Parcel Number 008407-77, DGS Parcel Number 10410

Authority: Chapter 208/04, Item 3790-301-0262(1)
Chapter 38/05, Item 3790-301-0262(1)

a. **Authorize site selection**

APPROVED 3/0

CONSENT ITEM

STAFF ANALYSIS ITEM – 4

Department of General Services
Department of Parks and Recreation
Montgomery Woods State Reserve, Ross (Save-the-Redwoods League)

Action requested

The requested action will authorize site selection consistent with the staff analysis.

Scope Description

This project is within scope. The Legislature has approved funding for the purchase of interests in lands consistent with Proposition 117 (Habitat Conservation Fund) without specifying particular parcels. This request will authorize site selection of the Ross property, which is approximately 1,117 acres of land contiguous to Montgomery Woods State Reserve. The acquisition assists the Department of Parks and Recreation (DPR) in fulfilling two important missions: acquiring in-holdings and adjacent properties to the State Park System and providing for the long-term preservation of sustainable redwood forest ecosystems. Also, the acquisition will expand the boundaries of the state reserve to the north of the existing reserve and will secure a substantial local watershed that contains diverse interior coastal habitats, especially old growth oaks and some conifers.

Funding and Cost Verification

This project is within cost. Chapter 208/04, Item 3790-301-0262(1) and Chapter 38/05, Item 3790-301-0262(1) provide a total of \$2,000,000 for the acquisition of high priority parcels of land. The balance of the appropriation is sufficient to acquire the subject property in accordance with legislative intent.

CEQA

A Notice of Exemption was filed with the State Clearinghouse on December 9, 2005, and the 35-day statute of limitations expires on January 13, 2006.

Project Schedule

The project schedule is as follows:

The anticipated close of escrow is February 2006.

Condition of Property

The Department of General Services (DGS) Environmental Services Section (ESS) staff conducted a site survey of the proposed acquisition of the Ross property west of Ukiah in Mendocino County on December 1, 2005. The proposed acquisition is directly contiguous to Montgomery Woods State Reserve on Orr Road.

The subject parcels contained in the proposed acquisition area consist entirely of grassland, oak woodland, and conifer forest (redwood, Douglas fir, etc.) situated in a small watershed just north of Orr Road. With the exception of a few unpaved roads, the area is all undeveloped woodland and wildland habitat. All of the roads observed during the site visit are in stable condition; the one bridge to a residence retained by the grantor (Ross) that will remain on an in-holding following acquisition is also in stable condition. The bridge on the grantor's retained property will be owned and maintained exclusively by Ross; the state will not be responsible for any maintenance. The property shows evidence of historic logging and a likelihood of limited open range livestock grazing.

No debris, evidence of landfills/dumps, development sites, or structures (whole or partial) were observed during the site visit. The undeveloped nature of the site suggests a formal environmental site assessment will not be needed prior to final approval to acquire this property.

Other:

- The purchase price shall not exceed the fair market value (FMV) of the property, as determined by DGS.
- The owner, the Save-the-Redwoods League (SRL), has acquired the property with the assistance of a \$1,000,000 grant from the Wildlife Conservation Board (WCB) and \$500,000 from the State Coastal Conservancy (SCC), in addition to donations from other non-state contributors, and will offer the property to DPR at \$1,000,000. The State's total contribution would be \$2,500,000, which in total is less than the DGS approved fair market value of the property.
- The SRL has offered to sell the property to the State for \$1,000,000, approximately 73 percent below the current fair market value approved by DGS with the condition that a use restriction agreement be entered into and recorded requiring the State to use the property for State Park System purposes. The use restriction can be removed if either of two actions occur: (1) the Legislature makes a finding that all or part of the property is in excess of the State's foreseeable needs and therefore, authorizes the sale of the property; or (2) the State Public Works Board (PWB) recommends that a transfer of the property to another State agency is necessary for a higher and better public purpose. If the use restriction is removed in either of these events, the DPR, contingent upon appropriation and availability of funds, will be required to pay the SRL 32.5 percent of the current market value of the property at that time or 32.5 percent of the pro rata value of the portion thereof that is designated for alternative use at that time; and pay another 40.5 percent to the SCC and WCB for the pro rata value of the property at that time, or 40.5 percent of the portion designated for alternative use. The repayment to SRL, SCC, and WCB by DPR would equate to 73 percent, which is the percentage difference between its payment and the FMV. Both payments will exclude the value of any State improvements on the property.
- The DPR is not aware of any lawsuits pending concerning the property. The Property Acquisition Agreement (PAA) will require delivery of title to the property free and clear of any mortgages or liens.
- The property is vacant and unimproved and no relocation assistance is involved with this project.
- This property is subject to two Agricultural Preserve contracts which require the DPR to send a notification to the California Department of Conservation of its intended acquisition. The DPR will send out this notification after PWB site selection authorization is obtained.
- The PAA does not include the State's standard indemnification language, potentially exposing the State to additional fiscal liability; however, the ESS site visit of this property did not identify conditions that would likely pose an exceptional risk to the State. Further, given the fact that the property is largely unimproved natural habitat, the risk associated with acquiring this property without the standard indemnification is low. It should be noted that the lack of indemnification language does not relieve the Seller of liability under existing law.
- This acquisition is contiguous to the existing Montgomery Woods State Reserve and is located between that property and Bureau of Land Management property. This property has restricted access via private roads. There is no direct public access from public roads; however, the property can be accessed through existing reserve lands.
- This acquisition is a 1,117-acre addition to 31,000 acres already owned within the vicinity of the district. The management plan is to provide periodic patrols of the

property as part of the routine patrols for the entire 31,000-acre district. As such, no additional support needs are anticipated with the acquisition of this property.

- While the 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 site selection

CONSENT ITEM

CONSENT ITEM – 5

DEPARTMENT OF GENERAL SERVICES (1760)
DEPARTMENT OF FOOD AND AGRICULTURE (8570)
54TH DISTRICT AGRICULTURE ASSOCIATION
RIVERSIDE COUNTY
DFA Project Number 501, DGS Parcel Number 10384

Authority: Food and Agriculture Code Section 4051

- a. **Authorize site selection**

APPROVED 3/0

CONSENT ITEM

STAFF ANALYSIS ITEM – 5

Department of General Services
Department of Food and Agriculture
54th District Agriculture Association

Action requested

The requested action will authorize site selection for this project.

Scope Description

This project is within scope. This project involves acquisition of a 36.36 acre parcel of bare land adjacent to the Colorado River Country Fair property for future fairgrounds expansion and overflow parking. The property is being offered to the 54th DAA at a below market rate price.

Funding and Cost Verification

This project is within cost. The 54th DAA has sufficient funds for this acquisition.

Project Schedule

The project schedule is as follows:

The anticipated close of escrow is March 2006.

Condition of Property

On December 1, 2005, staff of the Department of General Service's (DGS) Environmental Services Section (ESS) conducted an interview with staff at the 54th DAA as a means of preparing a site selection condition of property statement. ESS staff is familiar with the setting of the fairgrounds, so a site visit was not considered necessary for site selection.

ESS staff will conduct a site survey prior to the 54th DAA requesting authority to acquire the parcel. This site survey will establish if there is a need for a formal environmental site assessment.

Other

- The property is vacant, unimproved land.
- There is no relocation assistance involved with this project.
- The purchase price will not exceed fair market value as determined by a DGS approved appraisal.
- DGS 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.

Staff Recommendation: Authorize site selection

CONSENT ITEM

CONSENT ITEM – 6

DEPARTMENT OF PARKS AND RECREATION (3790)
MOUNT DIABLO STATE PARK, CONTRA COSTA COUNTY
Primary Road System Improvements

*Authority: Chapter 379/02, Item 3790-301-0005(3)
Chapter 157/03, Item 3790-301-0005(14)*

a. Recognize scope change

APPROVED 3/0

CONSENT ITEM

STAFF ANALYSIS ITEM – 6

Department of Parks and Recreation
Mount Diablo State Park, Primary Road System Improvements

Action requested

The requested action will recognize a scope change for this project.

Scope Description

This project is not within scope. The approved scope of the project authorizes high priority improvements to the South Gate Road, North Gate Road, and Summit Road at Mount Diablo State Park. Overall, the project would improve the safety of the road conditions for both motor vehicles and bicyclists and prevent further erosion of the existing road system. In particular, the project includes the improvement of the distressed sections of pavement and failing sections of roadway embankments; the improvement of the strength of the selected areas of the roads' structural sections; the improvement of the shoulder area on the sides of the roadways; and the improvement of the turn-out areas along the road system.

The Department of Parks and Recreation (DPR) has requested a scope change for this project to eliminate the South Gate Road improvements from the project. This scope change will allow the project to avoid potentially significant cost overruns associated with improving the South Gate Road while still addressing some of the park's more serious health and safety deficiencies.

Although the lowest responsible project bid was within the 20 percent augmentation authority of the Public Works Board (PWB), a review of the bids and various project elements, combined with the lack of geotechnical information, indicated that moving forward with the project as currently authorized was not feasible. Specifically, it was determined that the South Gate Road component had the greatest potential for major cost increases due to the high risk of unforeseen conditions (such as rock and unstable soils) associated with this roadway.

On December 1, 2005 the Department of Finance notified the chairs of the Joint Legislative Budget, the Senate Appropriations, and Assembly Appropriations Committees of its intent to approve this scope change after December 21, 2005.

Funding and Cost Verification

This project is within cost. Item 3790-301-0005(3), Budget Act of 2002, and Item 3790-301-0005(14), Budget Act of 2003 appropriated a total of \$5,410,000 for the preliminary plans, working drawings, and construction for the project. Bids for this project were received on April 12, 2005 and the lowest responsible bid was approximately \$5.6 million, which would have required an augmentation of almost \$379,000 (7 percent of the total project) to award the contract. While it is estimated that the proposed scope change will result in project savings of approximately \$800,000 (\$379,000 from the avoided augmentation and \$434,000 in estimated bid savings), exact savings will not be known until the project is re-bid early next year.

\$ 5,410,000 total authorized project costs

\$ 4,827,000 total estimated project costs

\$ 613,000 project costs previously allocated: preliminary plans \$305,000 and working drawings \$308,000

\$ 4,363,000 project costs to be allocated: construction \$4,363,000 (\$3,700,000 contract, \$259,000 contingency, \$325,000 A&E costs, and \$80,000 agency retained items)

\$ 949,000 estimated project savings

CEQA

A Notice of Determination was filed with the State Clearinghouse on May 14, 2003 and the waiting period expired on June 13, 2003.

Project Schedule

The project schedule is as follows:

Complete construction: December 2006

Staff Recommendation: Recognize scope change

CONSENT ITEM

CONSENT ITEM – 7

UNIVERSITY OF CALIFORNIA (6440)
RIVERSIDE CAMPUS, RIVERSIDE COUNTY
Genomics Building

Authority: Chapter 208/04, Item 6440-301-0660 (1)

- a. **Approve preliminary plans**

APPROVED 3/0

CONSENT ITEM

STAFF ANALYSIS ITEM – 7

University of California, Riverside
Genomics Building

Action requested

The requested action will approve preliminary plans.

Scope Description

This project is within scope. The Genomics Building project will construct a new four-story 65,243 asf facility for multi-disciplinary research in plant, pest and microbial genomics issues. The building will include instruction and research laboratories, research support facilities, offices and office support, a conference facility and building support space.

Funding and Project Cost Verification

This project is within cost.

\$ 53,800,000 total estimated project costs

\$ 1,560,000 project costs previously allocated: preliminary plans -- \$1,560,000 (State lease revenue funds)

\$ 52,240,000 project costs to be allocated: working drawings -- \$2,006,000 (State lease revenue funds); construction -- \$46,974,000 (State lease revenue funds), and equipment -- \$3,260,000 (State lease revenue funds)

CEQA

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

Due Diligence

The Department of General Services completed their due diligence review (May 27, 2005) and concluded that there are no exceptions identified during the course of their investigation that would adversely impact the quiet enjoyment of the project area.

Project Schedule

The project schedule is as follows:

Approve working drawings:	August 2006
Complete construction:	December 2008

Staff Recommendation: Approve preliminary plans

CONSENT ITEM

CONSENT ITEM – 8

UNIVERSITY OF CALIFORNIA (6440)
RIVERSIDE CAMPUS, RIVERSIDE COUNTY
Psychology Building

*Authority: Chapter 157/03, Item 6440-301-6028 (9)
Chapter 208/04, Item 6440-301-6041 (7)*

a. Approve scope change

APPROVED 3/0

CONSENT ITEM

STAFF ANALYSIS ITEM – 8

University of California, Riverside
Psychology Building

Action requested

The requested action will approve change in scope.

Scope Description

The project is not within scope. The Psychology Building project as approved would construct a new three story building of approximately 52,405 assignable square foot (asf) to provide support for the interdisciplinary instruction and research space needs for the Psychology Department in the College of Humanities, Arts, and Social Sciences. The project bid significantly over its budget. In response to this bid overage, the campus reevaluated its options for reducing the cost of the project, including alternate design measures or alternate means of meeting the program objectives. After careful examination, the campus has concluded that the only effective way to address the bid overage is to reduce the size of the project in a manner that minimizes near term impacts to the Psychology program. The project is a three story structure made up of two discrete wings; an animal holding facility makes up the basement space. The campus proposes to modify the design to delete one of these wings reducing the assignable area by approximately 18,000 asf (from 52,405 asf to 34,100 asf). The space removed from the project includes research laboratories, research support space, and office areas. The project as revised would continue to provide the most essential office, class laboratory and dry research laboratory support spaces needed by Psychology to support recent and near term enrollment growth, addressing the needs particularly of cognitive psychology, developmental psychology, and social/personality programs.

On December 1, 2005 the Department of Finance notified the chairs of the Joint Legislative Budget, the Senate Appropriations, and Assembly Appropriations Committees of its intent to approve this scope change after December 21, 2005.

Funding and Project Cost Verification

The project is within cost. The 2003 Budget Act (CH 157/2003) appropriated \$2,241,000 from the Higher Education Capital Outlay Bond Fund of 2003 (Bond Fund) for the Psychology Building project on the Riverside campus with \$1,075,000 for preliminary plans and \$1,166,000 for working drawings. The 2004 Budget Act (CH 208/2004) appropriated \$30,192,000 from the Higher Education Capital Outlay Bond Fund of 2004 (Bond Fund) for construction.

\$32,433,000 total estimated project costs

\$2,241,000 project costs previously allocated: preliminary plans -- \$1,075,000 (State funds); working drawings -- \$1,166,000 (State funds);

\$30,192,000 project costs to be allocated: construction -- \$30,192,000 (State funds)

CEQA

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

Due Diligence

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

Project Schedule

The project schedule is as follows:

Complete Construction: January 2008

Staff Recommendation: Approve scope change

CONSENT ITEM

CONSENT ITEM – 9

UNIVERSITY OF CALIFORNIA (6440)
SAN DIEGO CAMPUS, SAN DIEGO COUNTY
UCSDMC Hillcrest Seismic Improvements, Phase 2

Authority: Government Code §§ 15820.81
Chapter 71, Statutes of 2000

- a. **Approve preliminary plans**

APPROVED 3/0

CONSENT ITEM

STAFF ANALYSIS ITEM – 9

University of California, San Diego
UCSDMC Hillcrest Seismic Improvements, Phase 2

Action requested

The requested action will approve preliminary plans.

Scope Description

This project is within scope. The UCSDMC Hillcrest Seismic Improvements, Phase 2 project addresses improvements required to correct remaining seismic deficiencies mandated by SB 1953 and consists of the following three facilities: the Main Hospital building, the Central Plant (comprising the Boiler Plant and the Chiller Plant), and the Telecommunications Building.

Funding and Project Cost Verification

This project is within cost.

\$ 43,454,000 total estimated project costs

\$ 1,708,000 project costs previously allocated: preliminary plans -- \$1,708,000
(Hospital Reserve funds)

\$ 41,746,000 projects costs to be allocated: working drawings -- \$3,402,000 (Hospital Reserve funds), and construction -- \$36,907,000 (State lease revenue funds) and \$1,437,000 (Hospital Reserve Funds)

CEQA

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

Due Diligence

The Department of General Services completed their due diligence review (May 27, 2005) and concluded that there are no exceptions identified during the course of their investigation that would adversely impact the quiet enjoyment of the project area.

Project Schedule

The project schedule is as follows:

Approve working drawings: February 2006
Complete construction: December 2007

Staff Recommendation: Approve preliminary plans

CONSENT ITEM

CONSENT ITEM – 10

CALIFORNIA STATE UNIVERSITY (6610)
MONTEREY BAY CAMPUS, MONTEREY BAY COUNTY
Library

Authority: Chapter 379/02, Item 6610 6028(8.5)
Chapter 33/02, section 34, D AB16 Economic Stimulus Bill

- a. **Recognize scope change and anticipated deficit** **\$3,800,000**
(8 percent; 12 percent cumulative)

APPROVED 3/0

CONSENT ITEM

STAFF ANALYSIS ITEM – 10

California State University, Monterey Bay
Library

Action Requested

The requested action will recognize scope change and anticipated deficit.

Scope Description

This project is not within scope. The project is to construct a Library for the 8,300 full time equivalent students on the Monterey Bay campus. The authorized project scope would provide for a Library of 200,800 gross square feet (GSF) and 140,000 assignable square feet (ASF) with book storage capacity of 840,000 volumes, 1,198 reader stations and 28,700 ASF of Technical Support, Multimedia and Audiovisual services. The project was previously bid in July 2005 which resulted in a low bid that exceeded the budget by over 20%. The University has worked to redesign the project to reduce gross area by 20% (161,000 GSF, 114,200 ASF) and simplify the building design while maintaining adequate book capacity through the year 2050. The rescope project will provide 80% of original book stack volume (675,000 volumes), 97% of reader stations, 89% of Technical Support area and 86% of Multimedia training rooms and AV services.

On January 12, 2006 the Department of Finance notified the chairs of the Joint Legislative Budget, the Senate Appropriations, and Assembly Appropriations Committees of its intent to approve this scope change after February 1, 2006.

Funding and Project Cost Verification

This project is not within cost. The California State University (CSU) is requesting approval of a \$3,800,000 recognized anticipated deficit (8%, 12% cumulative) for construction. Due to the combination of the materials cost increases and State Fire Marshal required design changes, CSU proposes that the Library project proceed with a recognized anticipated deficit of up to \$3,800,000 of the project's construction budget.

\$ 68,262,000 total estimated project cost

\$ 2,101,000 project costs previously allocated: preliminary plans \$931,000; working drawings \$1,170,000 at CCCI 4019

\$ 46,161,000 project costs previously allocated: construction at CCCI 4019

\$ 12,000,000 nonstate funds: construction at CCCI 4633

\$ 8,000,000 proposed funding necessary: construction \$3,800,000 at CCCI 4633 and Group II equipment \$4,200,000 at EPI 2726

\$ 3,800,000 anticipated deficit: construction costs (contract \$3,268,000; contingencies \$266,000; project administration \$266,000); in future funds by the Department of Finance at CCCI 4633

CEQA

The University certifies that the project is in compliance with the requirements of CEQA. A Categorical Exemption was filed with the State Clearinghouse on August 19, 2003.

Project Schedule

The project schedule is as follows:

Complete preliminary plans: August 2004

Begin construction: June 2006

End construction: June 2008

Staff Recommendation: Recognize scope change and anticipated deficit contingent upon expiration of the 20-day notification period

CONSENT ITEM

CONSENT ITEM – 11

CALIFORNIA COMMUNITY COLLEGES (6870)
WEST KERN COMMUNITY COLLEGE DISTRICT
TAFT COLLEGE, KERN COUNTY
Science Modernization

Authority: Chapter 38/05, Item 6870-301-6041(49)

a. Approve preliminary plans

APPROVED 3/0

CONSENT ITEM

STAFF ANALYSIS –11

West Kern Community College District
Taft College, Kern County
Science Modernization

Action Requested

The requested action will approve preliminary plans for this project.

Scope Description

The project is within scope. This project reconstructs 9,344 assignable square feet (asf) of existing science facilities, including 1,614 asf classroom space, 3,464 asf laboratory space, 1,146 asf office space, 1,381 asf AV/TV space, and 1,739 asf other space.

Funding and Project Cost Verification

The project is within cost.

\$ 3,417,000 total authorized project costs

\$ 3,417,000 total estimated project costs

\$ 93,000 state project costs previously allocated: preliminary plans \$93,000

\$ 2,648,000 state project funds to be allocated: working drawings \$26,000, construction \$2,591,000 (\$2,193,000 contracts; \$186,000 contingency; \$212,000 construction management, administration, testing and inspection) at CCI 4328; and equipment \$31,000 at EPI 2649

\$ 3,000 local project costs previously allocated: preliminary plans \$93,000

\$ 583,000 local funds to be allocated: working drawings \$119,000, construction \$464,000 (\$464,000 contracts) at CCI 4328

CEQA

A Notice of Exemption, #2005108371, was filed with the State Clearinghouse on October 18, 2005 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:

Approve working drawings:	June 2006
Complete Construction:	June 2007

Staff Recommendation: **Approve preliminary plans**

CONSENT ITEM

CONSENT ITEM – 12

**CALIFORNIA COMMUNITY COLLEGES (6870)
WEST VALLEY-MISSION COMMUNITY COLLEGE DISTRICT
WEST VALLEY COLLEGE, SANTA CLARA COUNTY
Math and Science Replacement**

*Authority: Chapter 208/04, Item 6870-301-6028 (16)
Chapter 38/05, Item 6870-490-Reappropriation*

- a. **Approve preliminary plans**

APPROVED 3/0

CONSENT ITEM

STAFF ANALYSIS –12

West Valley-Mission Community College District
West Valley College, Santa Clara County
Math and Science Replacement

Action Requested

The requested action will approve preliminary plans for this project.

Scope Description

The project is within scope. The project constructs 6,054 assignable square feet (asf) of chemistry laboratory space on the West Valley College Campus to replace instructional labs whose ventilation system, drainage system and other infrastructure systems cannot be renovated to required safety standards. Once the project is constructed, the existing laboratory space will be removed from use and renovated or converted to other instructional uses.

Funding and Project Cost Verification

The project is within cost. The district passed a local bond and delayed the project so that a campus-wide environmental impact report that considers this project could be prepared and approved. The Community College System Office has planned for this project to receive construction funding in fiscal year 2007-08 if funds are available.

\$ 386,000 total authorized project costs at CCI 4100

\$ 3,315,000 total estimated project costs at CCI 4100

\$ 267,000 state project costs previously allocated: preliminary plans \$267,000 at CCI 4100

\$ 19,000 state project costs to be allocated: working drawings \$119,000 at CCI 4100

CEQA

A Notice of Determination, #2004052092, was filed for the project with the State Clearinghouse on August 24, 2005 and the waiting period expired 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:

Approve working drawings:	September 2006
Complete Construction:	January 2009

Staff Recommendation: **Approve preliminary plans**

CONSENT ITEM

CONSENT ITEM – 13

CALIFORNIA COMMUNITY COLLEGES (6870)
WEST VALLEY-MISSION COMMUNITY COLLEGE DISTRICT
WEST VALLEY COLLEGE, SANTA CLARA COUNTY
Campus Technology Center

Authority: Chapter 157/03, Item 6870-301-6028 (90)
Chapter 208/04, Item 6870-490-Reappropriation
Chapter 38/05, Item 6870-490-Reappropriation
Chapter 208/04, Item 6870-301-6041(72)
Chapter 38/05, Item 6870-490-Reversion

a. **Approve preliminary plans**

APPROVED 3/0

CONSENT ITEM

STAFF ANALYSIS –13

West Valley-Mission Community College District
West Valley College, Santa Clara County
Campus Technology Center

Action Requested

The requested action will approve preliminary plans for this project.

Scope Description

The project is within scope. The project constructs a 20,195 assignable square feet (asf) of computer lab space to accommodate and expand technology based learning and instruction for programs now existing on campus.

Funding and Project Cost Verification

The project is within cost. The Community College System Office has planned for this project to receive construction and equipment funding in fiscal year 2007-08 if funds are available.

\$ 791,000 total authorized project costs at CCI 4019

\$11,497,000 total estimated project costs at CCI 4019

\$ 483,000 state project costs previously allocated: preliminary plans \$483,000 at CCI 4019

\$ 308,000 state project costs to be allocated: working drawings \$308,000 at CCI 4019

CEQA

A Notice of Determination, #2004052092, was filed for the project with the State Clearinghouse on August 24, 2005 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:

Approve working drawings:	January 2007
Complete Construction:	November 2008

Staff Recommendation: Approve preliminary plans

CONSENT ITEM

CONSENT ITEM – 14

DEPARTMENT OF VETERANS AFFAIRS (8955)
LOS ANGELES AND VENTURA COUNTY
Greater Los Angeles and Ventura County Veterans Homes

*Authority: Government Code §§15819.60 and 15819.65
Military and Veterans Code §1104.1*

- a. **Reestablish project scope and cost** **\$263,828,000**
- b. **Approve preliminary plans**

APPROVED 3/0

CONSENT ITEM

STAFF ANALYSIS ITEM – 14

Department of Veterans Affairs,
Greater Los Angeles and Ventura County Homes

Action Requested

The requested action will reestablish cost and scope for this project and approve preliminary plans.

Scope Description

The Greater Los Angeles and Ventura Counties (GLAVC) project will construct a 516-bed veterans' home offering various levels of care at three sites. The largest of the three facilities will have 396 beds in 373,000 gross square feet in West Los Angeles. The other two facilities, located in Lancaster and Ventura, will each have 60 beds in approximately 47,000 gross square feet and also contain a maximum 50 person adult daycare facility.

Significant changes from the scope last set in December 2004 include:

- The replacement of a stand-alone kitchen with upgraded kitchen facilities and commensurate electrical utility improvements at the GLAVC veterans home, because the stand-alone kitchen could not be justified for this project as it would be primarily used to feed United States Department of Veterans Affairs (USDVA) hospital patients.
- The reduction of the total of number of beds at West LA from 400 to 396 to allow for a design that would make better use of the available land while reducing overall costs.

Funding and Project Cost Verification:

Of the \$263.8 million total project cost, approximately \$125.9 million is anticipated to be funded through a grant from the federal government. This amount may increase once these plans are submitted to the USDVA. The remaining project costs will be funded by the state through

\$106.9 million lease revenue bonds authorized in Government Code §15819.65 and \$31.0 million general obligation bonds authorized in Military and Veterans Code §1104.1.

The new project cost represents a \$28.8 million increase (12.2 percent) over the cost established at the December 2004 PWB meeting. While savings were generated with the removal of the stand-alone kitchen, much of it was offset by the kitchens improvements at each site of the GLAVC home. Additional project costs were driven by the relocation of the utilities building and associated extra trenching to reach utilities - a relocation provided in order to address USDVA concerns – and the recognition that substantial earthwork will be necessary at the Lancaster and Ventura sites. Finally, there have been significantly greater than expected increases in construction costs since the project cost was last established. As a result, the rate of escalation for future construction costs was also increased.

<u>\$263,828,000</u>	<u>total estimated project cost</u>
<u>\$ 12,825,000</u>	<u>project costs previously allocated: preliminary plans</u>
<u>\$251,003,000</u>	<u>project costs to be allocated: working drawings \$10,803,000; and construction \$240,200,000</u>

CEQA

The Environmental Impact Report was filed with the State Clearinghouse on December 9, 2005, and the waiting period expired on January 8, 2006.

Project Schedule

The project schedule is as follows:

Preliminary plans approved:	January 2006
Working drawings approved:	December 2006
Complete construction:	
Lancaster	October 2008
Saticoy	October 2008
West LA	February 2010

Due Diligence

Due diligence will be completed by late January 2006 for the Lancaster and Ventura sites. DGS has indicated that they do not expect any significant due diligence concerns with either site. DGS is currently in the process of acquiring the 13.4 acre West LA site. This site is presently owned by the USDVA as part of the adjoining Los Angeles veterans hospital and will not be transferred to the state until all work on creating and approving sharing agreements is complete. Pursuant to federal regulations 38 CFR §59.60, title to the land must be held by the state as a condition of receiving federal funds for the GLAVC project.

Other

- This action will supersede the scope and cost that was established for the GLAVC project at the December 17, 2004 SPWB meeting.
- \$2.1 million of the total project costs are attributable to participation in the Green Guide for Health Care, and will address Governor Schwarzenegger's Executive Order S-20-04 to build resource efficient buildings. There is presently a 20-day letter seeing incorporation of the Green Guide for Health Care into this project.
- Both the Lancaster and Ventura sites are sized to allow for future expansion of the facilities up to 400-beds without the need to acquire additional land.

Staff Recommendation: Reestablish scope and cost contingent upon approval to incorporate Green Guide for Health Care and approve preliminary plans

ACTION ITEM

ACTION ITEM – 15

**DEPARTMENT OF GENERAL SERVICES (1760)
DEPARTMENT OF TRANSPORTATION (2660)
MARYSVILLE CALTRANS DISTRICT 3 OFFICE BUILDING SITE
YUBA COUNTY
DOT 021, DGS Parcel Number 10149**

Authority: Chapter 379/02, Item 2660-311-0042(1) (b)

a. Authorize acquisition

APPROVED 3/0

ACTION ITEM

STAFF ANALYSIS ITEM – 15

Department of General Services
Department of Transportation
Marysville Caltrans District 3 Office Building Site

Action requested

The requested action will authorize acquisition for this project.

Scope Description

This project is within scope. This project will construct a 230,000 gross square foot (gsf) Department of Transportation (Caltrans) District 3 Headquarters Office Building in downtown Marysville on the existing State-owned Caltrans site. The project includes purchasing an additional parcel to accommodate the surface parking needed for the new office building. The City of Marysville (City) made it known to Department of General Services (DGS) that they own a 0.61 acre property they are willing to sell to the State in an effort to further the Caltrans office building project. The City also offered the abandonment of portions of two (2) streets that border the acquisition. The City requires no monetary consideration for these abandonments. With the abandonments included, this acquisition will total approximately 0.76 acres. This request will authorize the acquisition of this property, including abandonments, located in the City of Marysville, County of Yuba, for the additional surface parking lot required for the support of the District 3 Headquarters Office Building project.

Funding and Cost Verification

This project is within cost. Funding has been authorized under Chapter 379/02, Item 2660-311-0042(1)(b) provides Caltrans with \$2,264,000 for replacement, acquisition and preliminary plans (\$775,000.00 for acquisition and \$1,489,999.00 for preliminary plans). The property interests can be acquired with the funds available and in accordance with Legislative intent.

CEQA

A Final Environmental Impact Report (EIR) was completed on September 21, 2005. Certification of the EIR was signed on October 3, 2005, and recorded with the State Clearinghouse on the same date. The 30-day statute of limitations period expired on November 3, 2005.

Project Schedule

The project schedule is as follows:

The anticipated close of escrow is February 2006.

Condition of Property

On November 28, 2004, the DGS Environmental Services Section staff conducted a site visit of the proposed acquisition parcel. The parcel consists of a vacant, grass-covered lot. The parcel is bounded by two-story warehouses to the immediate north, open space to the west along the railroad tracks, and Yuba and 9th Streets to the east and south. The warehouses are aging concrete structures that appear to be for furniture storage. The open area to the west consists of an unimproved alley and a vacant lot between the alley and railroad tracks. The surface of the parcel is graded level with the sidewalk. It contains no visible remnant structures (foundations, basements, vaults, etc.). The parcel is covered with emerging winter grasses; it

contained no debris or other evidence of dumping. An Environmental Site Assessment, Phase I (ESA/Phase I) investigation was recommended.

EDAW Inc., an environmental consultant, was contracted to conduct an Environmental Site Assessment Phase I (ESA/Phase I) which included soil borings and soil testing. The ESA/Phase I report was completed by EDAW on August 9, 2005, and submitted to DGS. Their findings were: *“Based on our sub-surface exploration, “basic screening” sampling and testing, no elevated concentrations of the compounds tested and analyzed were above the environmental screening levels. It is our opinion that there should be minimal likelihood that the subject site has been environmentally impacted by off-site sources or past usage of the site to the extent that would restrict development of the site as a parking lot or parking structure, which are the current plans. Further assessment of the environmental conditions on the site should not be necessary if the planned development of the property is limited to commercial uses, such as a parking lot or parking structure.”* Therefore, there are no recognized environmental issues of concern regarding the property.

Other:

- The State Public Works Board approved this project for site selection on January 14, 2005.
- The site meets the requirements of Caltrans for the District 3 Headquarters Office Building project.
- Caltrans will manage and operate the facility once constructed.
- The purchase price does not exceed the estimated fair market value as determined by a DGS approved appraisal.
- The purchase price does include the area under those portions of 9th Street and Walnut Street that the City has agreed to abandon. Pursuant to the Property Acquisition Agreement (PAA), a separate abandonment agreement, which will also include the abandonment of 8th and Chestnut Streets at the construction site is being prepared and will be executed prior to the close of escrow.
- DGS is not aware of any lawsuits pending concerning the property against the Seller.
- DGS is aware of a pending lawsuit against the State regarding the Final EIR prepared for the project.
- The property is vacant and unimproved. Therefore, there is no relocation assistance involved with the proposed acquisition.
- The property acquisition agreement requires delivery of a conveyance deed to the State, free and clear of any mortgages or liens.
- The Property is being acquired without the standard indemnification language in the PAA. DGS has concluded a thorough environmental due diligence on the subject property and it was concluded, by environmental professionals, that there are no recognized environmental concerns. DGS weighed the liability issues and results of the ESA/Phase I and is recommending that the acquisition move forward without the standard indemnification language.
- The City obtained authorization from the Marysville City Council on January 10, 2006, approving the transfer of title of the Property to the State and approving the City Manager to execute all documents necessary to effectuate the transfer including the PAA.

Staff Recommendation: Authorize acquisition

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ACTION ITEM

ACTION ITEM – 16

**DEPARTMENT OF GENERAL SERVICES (1760)
MARYSVILLE OFFICE BUILDING REPLACEMENT
YUBA COUNTY**

*Authority: Chapter 379/02, Item 2660-311-0042(1)(b) 20.20.515;
Chapter 157/03, Item 1760-301-0660(2)
as reappropriated by, Chapter 208/04, Item 1760-490(1)
as reappropriated by, Chapter 38/05, Item 1760-490(3)
as supplemented by, Chapter 38/05, Item 1760-301-0660(3)*

- a. **Approve performance criteria and concept drawings**

APPROVED 3/0

ACTION ITEM

STAFF ANALYSIS ITEM – 16

Department of General Services
Marysville Office Building Replacement
Yuba County

Action requested

The requested action will approve performance criteria and concept drawings for this project.

Scope Description

This project is within scope. The Marysville Office Building Replacement Project (Project) for the Department of Transportation (DOT) Area 3 consists of a new 230,000 gross square feet office building with 708 parking spaces, (with a portion of the parking to be located on the acquired parcel), located in downtown Marysville. The Project was designated to utilize the design-build method of project delivery pursuant to Government Code (GC) Section 14661. A scope change in regards to the particular off-site parcel to be purchased and a reduction in the parking count from 708 spaces to 440 spaces, was approved by the Public Works Board in January, 2005. Approximately 350 spaces are to be located on the existing site along with the new building. Approximately 90 spaces would be constructed on the off-site acquisition parcel. This off-site parcel is currently owned by the City of Marysville and DGS is pursuing the purchase of this land, (a request for Site Acquisition approval is running concurrent with this request). The existing DOT facilities located on land are currently owned by the State.

In the 2004 Budget Act authorized the design-build delivery method to be used in clause (i) of subparagraph (A) of paragraph (3) of subdivision (d) of GC Section 14661. This defines the final selection process of the design-build entity as a design-build competition based upon performance, price and other criteria set forth by DGS in the design-build solicitation package. The award will be made to the design-build entity whose proposal is judged as providing the

best value in meeting the interest of DGS and meeting the objectives of the Project.

DGS is providing project management and land acquisition for the Project. DGS will also be providing building and property management services for the completed facility.

Funding and Cost Verification

This project is within cost. Chapter 379/02 Item 2660-311-0042(1)(b) appropriated \$2,264,000 for property acquisition and preliminary plan phases. Chapter 157/2003 1760-301-0660(2) appropriated \$56,575,000 for the construction phase; this amount was reappropriated by Chapter 208/04 1760-490 (1) and Chapter 38/05 1760-490 (3) and was supplemented by Chapter 38/05 1760-301-0660(3) in the amount of \$8,582,000 to account for estimated shortfalls in the construction phase owing to increasing labor and materials costs including approved escalation factors. The anticipated savings (\$1,903,927) from the scope change approved by PWB in January, 2005, was offset and exceeded by the estimated cost increases approved in the 2005 Budget Act.

\$ 67,421,000	total authorized project costs
\$ 2,264,000	project costs previously allocated: Acquisition \$775,000; Preliminary Plans \$1,489,000
\$ 65,157,000	project costs to be allocated for the Construction phase: \$56,385,400 construction; \$1,592,172 contingency; \$3,136,928 A&E costs; \$4,042,500 agency retained

CEQA

The project requires an Environmental Impact Report (EIR). The 30-day litigation period for the Final EIR ended on November 2, 2005. One legal challenge was filed in California Superior Court in Yuba County during the litigation period. This action is being addressed by DGS and DOT legal counsel in conjunction with the office of the Attorney General. The outcome of this action is unknown at this time.

Project Schedule

The project schedule requires extension and is as follows:

Issue design-build solicitation package:	January, 2006
Complete acquisition of off-site parcel:	March, 2006
Award design-build contract:	April, 2006
Complete building construction:	May, 2008

This revised schedule reflects a two-month delay due to property acquisition issues.

Other:

DGS will complete required real estate due diligence services during the final stages of the acquisition process.

Staff Recommendation: Approve performance criteria and concept drawings

ACTION ITEM

ACTION ITEM – 17

DEPARTMENT OF GENERAL SERVICES (1760)
DEPARTMENT OF PARKS AND RECREATION (3790)
EL PRESIDIO DE SANTA BARBARA STATE HISTORIC PARK, FRONT GATE
SANTA BARBARA COUNTY
DPR Parcel Number 7764-01, DGS Parcel Number 10273

Authority: Chapter 157/03, 3790-301-6029(10)

a. **Authorize acquisition**

APPROVED 3/0

ACTION ITEM

STAFF ANALYSIS ITEM – 17

Department of General Services
Department of Parks and Recreation
El Presidio de Santa Barbara State Historic Park, Front Gate

Action requested

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

Scope Description

This project is within scope. The Legislature has approved funding from Proposition 40 (California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Act of 2002) for new State Park System acquisitions without specifying particular parcels. This request will authorize the acquisition of approximately 0.68 acres that consists of three contiguous parcels and encompasses the former main entrance (Front Gate) to El Presidio Real de Santa Barbara (El Presidio), the oldest building in Santa Barbara and the second oldest in California. The acquisition of these parcels is necessary to complete Phase III of the development of El Presidio de Santa Barbara State Historic Park.

Funding and Cost Verification

This project is within cost. Chapter 157/03, Item 3790-301-6029(10) provides a total of \$35,000,000 for the acquisition of high priority parcels of land. The balance of the appropriation is sufficient to acquire the subject property (\$1,212,000) in accordance with legislative intent.

\$ 1,212,000	total estimated project costs
\$ 2,800	project costs previously allocated: Department of General Services (DGS) staff costs for fee appraisal and transaction review
\$ 1,209,200	project costs to be allocated: \$1,200,000 for acquisition and approximately \$9,200 for overhead costs (title/escrow fees and remaining DGS staff costs)

CEQA

A Notice of Exemption was filed with the State Clearinghouse on February 16, 2005, and the 35-day statute of limitations expired on March 23, 2005.

Project Schedule

The project schedule is as follows:

The anticipated close of escrow is January 2006.

Condition of Property

The DGS Environmental Services Section (ESS) staff conducted a site visit to the subject property at El Presidio de Santa Barbara State Historic Park on February 3, 2005. The acquisition consists of an approximately 0.68-acre parcel (APN 031-011-007, APN 031-011-016, and a portion of APN 031-011-005) of land which is currently a paved asphalt parking lot located at 813-821 Santa Barbara Street in the city of Santa Barbara, California.

A Phase I Environmental Site Assessment (ESA) report prepared by Campbell Geo, Inc. on April 5, 2005, was reviewed by ESS staff and found to be in accordance with the American Society of Testing and Materials (ASTM) standards. The primary item of concern identified in the ESA report on the subject property is the dry cleaning business that existed in the 1920s at 817 Santa Barbara Street. "Cleaning compounds from that era are believed to have been primarily petroleum-based compounds. Although it is not likely that large volumes of these chemical products were stored or used onsite, the former existence of a dry cleaning operation and the lack of documented waste disposal constitutes, in our opinion, a 'recognized environmental condition,' as defined by the ASTM Practice E 1527" (Campbell Geo, Inc. April 5, 2005:9).

The existence of chemical contamination of soil or groundwater that exceeds regulatory investigation standards is unknown, but cannot be completely ruled out at this site based upon historical use of the site and surrounding properties undergoing remediation for known contaminants. According to Campbell Geo, the following factors would improve the chances that only a small area of contamination exists at the 817 address, if contamination exists at all:

- The type of chemical probably used at East Side Cleaners (petroleum-based, which degrades at a faster rate versus perchlorethylene)
- The apparently small footprint of the East Side Cleaners building
- The 80 years since the business operated
- The relatively short period (five years) that the business operated

Additionally, ESS staff identified the following:

- What is the likelihood that the owner of the subject property will be required to assess or remediate groundwater contamination originating from the two former gasoline service stations identified nearby at Canon Perdido (~375 feet southwest of the subject parcel) and Anacapa Streets (~350 feet west of the subject parcel)?

Both of these former stations (Unocal and Chevron) are being investigated under the oversight of Santa Barbara County Fire Prevention Division's LUFT Program, which is the local oversight program for the Central Coast Regional Water Quality Control Board. Remediation has not begun at either site and site assessment work is in progress. Shallow groundwater contamination between each of the former service station sites and the subject acquisition parcel has not been completely defined.

Groundwater contamination reportedly does not extend as far as the subject acquisition parcel. It is unlikely that the subject acquisition property owner would be required to assess or remediate contamination originating from the former Unocal or Chevron service stations (*Additional Information – Phase I Environmental Site Investigation*, Campbell Geo, Inc., June 15, 2005:3).

- What is the risk to site workers from potential onsite contamination when subsurface archaeological investigation or site grading begins?

No subsurface contamination from the previous dry cleaning operation on the subject property is known to exist. Existing human health risks to site tenants, passersby, or site workers, are unknown, but no obvious or reported conditions (soil staining, chemical odors, etc.) exist. The risk to future site workers would be evaluated by subsurface investigation of contamination prior to and in conjunction with future archaeological work or construction that would disturb the site (Campbell Geo, June 2005:3).

This area of the subject property is sensitive for the presence of cultural resources. To protect the cultural resources, subsurface investigation would be best performed in conjunction with archaeological site work which is not planned for several years.

- What is the risk that the owner of the subject property will be required to conduct assessment or remediation of onsite contamination, if found?

There is no current regulatory requirement to investigate the unconfirmed presence of subsurface contamination at the subject acquisition property. In the absence of new information, it is not anticipated that any government agency would require site assessment or remediation in the near future. The East Side Cleaners has been identified as the past land use most likely to have caused contamination of soil or groundwater with chemicals with established regulatory cleanup levels. Since the cleaners operated in the 1920s, it is assumed that petroleum-based compounds were used, rather than more modern chlorinated compounds, such as perchlorethylene (PCE), used by dry cleaners since the 1930s.

Biochemical degradation of petroleum products is known to occur at a faster rate than it does with PCE, suggesting that a contamination problem, if it exists, may be relatively minor. The small size of the building, the short time period the dry cleaner operated, and the 80 years transpired since it operated also improve the chances of a small or non-existent contamination problem (Campbell Geo, June 2005:3).

The acquisition of these parcels is necessary to complete Phase III of the development of El Presidio de Santa Barbara State Historic Park, which would involve conducting archaeological investigations. Phase III is not intended to be undertaken for several years at which time more information regarding site characterization and remediation of nearby contaminated properties will be known. Subsurface investigations for soil and/or groundwater contamination of the subject property, if deemed necessary, may be undertaken at the time of Phase III development implementation. The coordination of any potential remedial investigation and cultural resource investigation would protect site workers as well as subsurface archaeological deposits. No additional "visible" (e.g., ground and or vegetation staining) potential problems with hazardous materials were observed during the ESS site visit and the property is compatible with the proposed future use.

Other:

- This acquisition was approved for site selection by the Public Works Board on October 7, 2005.
- The purchase price shall not exceed the estimated fair market value as determined by a DGS-approved appraisal.
- The Department of Parks and Recreation (DPR) is not aware of any pending lawsuits concerning the property. The Property Acquisition Agreement will require delivery of title to the property free and clear of any mortgages or liens.
- The property is unoccupied and there is no relocation assistance involved with this project.
- There is no implied dedication applicable to this property.
- The property is currently used as a parking lot that will continue to be operated as such by the current owner, the Santa Barbara Trust for Historic Preservation (Trust), for DPR's Channel Coast District pursuant to specific legislation created under the California Public Resources Code section 5080.36, under which an Operating Agreement (OA) was authorized for the operator to acquire property, develop, manage, and operate El Presidio for DPR. Eventually, the property will be built out as part of El Presidio buildings and grounds reminiscent of the original El Presidio that was constructed in 1782. Under the OA, to which the Trust has agreed to be bound as

operator, the Trust will indemnify the State with a hold harmless clause and with liability insurance for the period of time that it operates the parking lot. If the Trust ceases to operate the lot, DPR will need to obtain indemnification from the easement holder or the new operator of the parking lot against third party claims. Revenue generated by the parking lot property will be collected by the Trust to be deposited into an account on behalf of DPR to be used for the restoration of the property as outlined in the OA.

- The property is burdened by perpetual parking, pedestrian, and trash facilities easements and an “Agreement Regarding Relocation of Air Conditioning Facilities” that DPR will need to consider as part of its long term planning for El Presidio. It may want to eliminate these easement restrictions and the potential costs or to keep the property “as is” to prevent the future commercial development of this historic site. Should DPR elect to minimize the effect of these easements, it will likely consider a termination of the easements with the easement holder, Presidio Properties, relocation of the easements, and payment of the fair market value of such easements and obligations if the other options are not successful. The Trust has been pursuing ongoing discussions with the easement holder to explore these options, and this will be a part of the long term planning and development of this historic site.
- The Property Acquisition Agreement includes indemnification language that will require the Trust, which is coordinating the restoration of El Presidio, to remain responsible for any monitoring and remediation that may be needed for soil and/or groundwater contamination as identified in the Phase I Environmental Report when the restoration for El Presidio begins. Whereas the Trust currently has sufficient revenue to provide adequate assurance that such monitoring and any work will be completed, there is no guarantee that these conditions will continue into the foreseeable future. Furthermore, if the Trust is not fiscally solvent in the future, the State could be liable for significant costs associated with any contamination that is discovered. It is not anticipated that this will occur for at least another five to ten years.
- It should be noted that the property is being acquired with modified indemnification language to limit the Trust’s liability to only the costs of remediation arising out of or connected with the potential soil and groundwater contamination identified in the Phase I Environmental Report.
- The DPR does not anticipate the need for additional staffing and operating expenses to continue operation under the OA.
- This acquisition would preserve the opportunity to restore a significant archaeological site. The DPR’s acquisition of this property will also enable the Trust to free its resources used to acquire this property to preserve other properties which could be added to the El Presidio de Santa Barbara State Historic Park. While the DPR is contemplating restoration at some point in the future, DPR will not be obligated to develop the site in the future. If the site is not developed, remediation is unlikely.
- Should the DPR decide to develop the site, this request will be addressed through the normal budget process.

Staff Recommendation: Authorize acquisition

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ACTION ITEM

ACTION ITEM – 18

DEPARTMENT OF GENERAL SERVICES (1760)
CALIFORNIA DEPARTMENT OF CORRECTIONS AND REHABILITATION (5225)
NORCO ARMY RESERVE PROPERTY, INGALLS HALL
RIVERSIDE COUNTY
Project Number CDC055, DGS Parcel Number 10162

Authority: Chapter 379/02, Item 5240-301-0724(3)

- a. **Authorize acquisition of real property through the Federal Surplus Real Property Transfer Program at no cost**

APPROVED 3/0

ACTION ITEM

STAFF ANALYSIS ITEM – 18

Department of General Services
Department of Corrections & Rehabilitation
Norco Army Reserve Property – Ingalls Hall

Action requested

The requested action will authorize acquisition of real property through the Federal Surplus Real Property Transfer Program at no cost.

Scope Description

This project is within scope. The request will authorize acquisition of 5.74+/- acres of land improved with a three-story, 64,000+/- square foot building with parking and yard areas. The proposed acquisition would be subject to public benefit based on correctional use through the Federal Surplus Real Property Transfer Program and will be at no cost to the State with the exception of staff overhead in the preparation of documents, due diligence and related studies. The building was constructed in 1942 by the Department of Navy and was subsequently utilized as a U.S. Army Reserve Center. The building has been vacant for approximately seven years, although the grounds of the property have been licensed to California Department of Corrections & Rehabilitation's (DCR) California Rehabilitation Center (CRC) since April, 2002 and has been utilized primarily for parking. This acquisition will serve as an addition to the CRC and enhance the Center's ability to effectively maintain existing programs and plan for future growth.

Funding and Cost Verification

This project is within cost. Chapter 379/02 Item 5240-301-0724(3) is used to cover overhead costs associated with processing the documents and due diligence in accepting public benefit conveyances of this nature. There is sufficient balance remaining in the account to cover acquisition overhead cost.

\$ 90,000 total estimated acquisition cost

\$ 35,000 project costs allocated (DGS staff costs)

\$ 50,000 project costs allocated for special studies (environmental, structural, utility)

\$ 5,000 project costs to be allocated for title and escrow fees

CEQA

A Notice of Exemption was filed with the State Clearinghouse on May 10, 2005, and the waiting period expired on June 14, 2005.

Project Schedule

The project schedule is as follows:

The anticipated close of escrow is February, 2006.

Condition of Property

Department of General Services (DGS), Environmental Services Section (ESS) staff conducted a Site Condition Survey for the subject property on October 19, 2004. The subject property is approximately 5.74 acres and is currently owned by the U.S. Army Reserve. The property is located in Norco, California adjacent to the DCR, California Rehabilitation Center. The property is currently used as a temporary parking facility by the DCR/CRC and is also used for the Inmate Day Labor Program. The property is also improved with a three-story Reserve Center building, known as Ingalls Hall. Ingalls Hall was built during WWII, and contains about 64,000 square feet of office space. Ingalls Hall is a conventional wood structure with lath and plaster and terra cotta roofing. In 1991, the Army spent over \$1 million to renovate the entire building and added heating, ventilation, and air conditioning. Because of these changes and the fact that the building has no architectural significance, SHPO determined in 1999 that the building was not eligible for listing on the National Register of Historic Places. In 2000, the Army conducted an Environmental Baseline Study for Ingalls Hall. The Study determined that there is both asbestos and lead-containing paint within the building. It was observed during the Site Condition Survey that peeling paint was on the outside of the building. Because of the presence of lead-containing paint and asbestos a Phase 1 Environmental Site Assessment was recommended.

Subsequent to the Site Condition Survey conducted on October 19, 2004, MACTEC Engineering and Consulting, Inc. was retained and generated two reports specific to the Ingalls Hall building. The first report, dated April 29, 2005, was a Phase 1 Environmental Site Assessment. It found no environmental concerns except 15 five gallon buckets of "Resin" concrete curing compound, and two 55 gallon drums of hydraulic fluid. These items have since been removed from the premises. The second report, dated May 3, 2005, was a report of Limited Asbestos and Lead-Containing Materials Survey. After sampling, both asbestos and lead-containing materials were found in various locations of the building. MACTEC estimates that an abatement of the two materials would cost approximately \$240,000.

Other

- DCR is not aware of any lawsuits pending concerning the property.
- There is no implied dedication applicable to this property
- There is no relocation assistance involved with this project.
- A Structural/Seismic Evaluation was conducted for the building improvement by DGS, Design Services Section (DSS) staff. The study identified potential building deficiencies and established a seismic risk level. Seismic strengthening concepts were developed to raise the performance of the building to an acceptable risk level with seismic retrofit costs estimated at approximately \$1,300,000. This estimate does not include any costs to finish the building for occupancy, which could potentially range up to \$150 per square foot of building area or \$9,600,000. The study also provided a cost for demolition of the entire building including abatement of hazardous materials estimated at approximately \$1,140,000.
- Terms of the conveyance do not require CRC's use of the existing building if determined to be uninhabitable or cost prohibitive, however, the property shall be used and maintained for correctional and law enforcement purposes in perpetuity. In the event the State breaches any conditions of the conveyance, all right, title and interest in the property shall revert to and become the property of the United States of America. The State may secure abrogation of the reservation and reverter by payment to Grantor at the fair market value of the property at the time of abrogation. Fair market value in this case shall not include any improvements made to the property by the State.
- The current fair market value of the property as if vacant land as determined by a DGS appraisal is estimated at \$1,500,000.

- Acquisition of this site is very important to CRC's dual missions of inmate custodial and rehabilitative functions because no other properties are currently available in the immediate vicinity to support and expand CRC's existing programs.
- Acquisition of this property will provide immediate use for much needed additional parking to CRC's existing facility and will serve as potential staging areas for planned construction projects at the facility.
- Operation and maintenance will be absorbed within CRC existing funds.

Staff Recommendation: Authorize acquisition of real property through the Federal Surplus Real Property Transfer Program at no cost

OTHER BUSINESS

OTHER ITEM –

No Other Business.

REPORTABLES

To be presented at meeting.