



CALIFORNIA STATE  
**PUBLIC WORKS BOARD**

ARNOLD SCHWARZENEGGER, GOVERNOR

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

STATE PUBLIC WORKS BOARD  
June 12, 2006 Meeting  
**MINUTES**

**PRESENT:**

Ms. Anne Sheehan, Chief Counsel, Department of Finance  
Mr. Ron Joseph, Director, Department of General Services  
Ms. Cindy McKim, Deputy Director, Department of Transportation

**ADVISORY MEMBER:**

Director, Employment Development Department

**LEGISLATIVE ADVISORS:**

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

**STAFF PRESENT:**

Karen Finn, Administrative Secretary, Public Works Board  
Theresa Gunn, Assistant Administrative Secretary, Public Works Board  
Teresa Bierer, Assistant Administrative Secretary, Public Works Board  
Jim Martone, Assistant Administrative Secretary, Public Works Board  
Deborah Cregger, Legal Counsel for the Public Works Board  
Stephen Benson, Budget Analyst for the Department of Finance  
Christina Ahn, Budget Analyst for the Department of Finance  
Randy Katz, Budget Analyst for the Department of Finance  
Koreen Hansen, Budget Analyst for the Department of Finance

**OTHERS PRESENT:**

Darlene Masten, California Department of Corrections and Rehabilitation  
Sabrina Winn, Department of General Services; RESD, PSB  
Jon Heim, Department of General Services; RESD, PSB  
Suzanne Swanson, Department of General Services; RESD, PSB  
Thomas Crandall, Department of General Services; RESD, PSB  
Dan Potash, Department of General Services;  
Stuart DuVall, Department of General Services Consultant  
Ron Small, Department of General Services Legal  
Shelley Petavini, California Community Colleges  
Gregory L. Hocror, Department of General Services, RESD, APE

Michelle Abstor, Department of Corrections and Rehabilitation  
John Schwan, Department of Corrections and Rehabilitation  
Liz Yokoyama, Department of General Services  
Marianne Wetzel, Department of General Services  
Michael Bustamante, Menuelo Maddox Properties  
Warren Westrup, Department of Parks and Recreation  
Liz Stellar, Department of Parks and Recreation

**CALL TO ORDER AND ROLL CALL:**

Ms. Anne Sheehan, Chairperson of the SPWB and Chief Deputy Director for the Department of Finance, called the meeting to order at 1:34 p.m. Karen Finn, Administrative Secretary for the State Public Works Board, called the roll. A quorum was established. Ms. Finn asked that it be noted that since no bond items would be on the agenda the State Controller's Office and State Treasurer's Office need not attend and will not be marked absent. Ms. Finn also noted that Agenda Action Item # 15 concerning the City of Whittier has been pulled from the Agenda and will be brought forth to the Board again on the next Special Meeting scheduled for June 23, 2006

The minutes were adopted and approved for the May 12, 2006 and April 14, 2006 meetings, with one amendment correcting a calculation error in the Funding and Cost Verification section of Item #1 of the May 12, 2006 Minutes.

**BOND ITEMS:**

**No Bond Items**

**CONSENT CALENDAR:**

Ms. Finn reported that the Consent Calendar covered items numbered 1 through 14. In summary these items proposed:

- 3 requests to approve project augmentations, [1,3,11]
- 2 requests to authorize acquisition, [2,7]
- 3 requests to authorize site selection, [4,5,6]
- 1 request to authorize a no cost acquisition of real property, [8]
- 4 requests to recognize scope change, [9,10, 12,14]
- 1 request to approve preliminary plans [13]

There were six 20-day letters for this agenda.

1) **Item # 3, for the DGS and the Department of Boating and Waterways**, for a Boating, Instruction and Safety Center in Humboldt County

—The letter, to approve augmentation to the construction phase of this project, was sent to the appropriate Legislative Committees on May 19, 2006 and expired on June 8, 2006 without comment.

2) **Item # 9, Department of Parks and Recreation** at the Big Basin Redwoods State Park, in Santa Cruz County, for Water System Improvements.

—The letter, to recognize scope change, was sent to the Legislative Committees on May 19, 2006 and expired on June 8, 2006 without comment.

3) **Item #10, Department of Mental Health** at the Metropolitan State Hospital, in Los Angeles County, to construct a school building.

—The letter, to recognize scope change, was sent to the Legislative Committees on May 8, 2006 and expired on May 28, 2006 without comment.

4) **Item #11, Department of Corrections and Rehabilitation** at the Sierra Conservation Center, in Jamestown, for an Electrified Fence

—The letter, to approve augmentation to the construction phase, was sent to the Legislative Committees on May 8, 2006 and expired on May 28, 2006 without comment.

5) **Item #12, Department of Corrections and Rehabilitation** at the California Rehabilitation Center, Norco, in Riverside County.

—The letter, to recognize scope change, was sent to the Legislative Committees on May 3, 2006 and expired on May 23, 2006 without comment.

6) **Item #14, University of California**, at the Davis Campus, in Yolo County

—The letter, to recognize scope change to terminate project and approve reversion, was sent to the Legislative Committees on April 26, 2006 and expired on May 16, 2006 without comment.

In summary: staff recommended approval of the **Consent Calendar** consisting of Items numbered 1 through 14.

Ms. Sheehan asked if there was any public to comment on these items?  
There was no response.

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

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

#### **ACTION ITEMS**

Ms. Finn then reminded the Board that Action Item #15 concerning the City of Whittier was pulled from the agenda.

Ms. Finn then reported about the second action item #16, which concerned the Santa Clarita Community College District. The California Community College Chancellor's Office had requested various amendments to Site and Facility leases for the College of the Canyons. In 1993, this Board issued lease revenue bonds for the campus for renovations and construction of four buildings. The District has informed the Board's staff that the Leases inadvertently included a legal description of the entire campus, the majority of which is unrelated to the "project" that was financed. The proposed action amended the Site and Facility Leases to correct the legal descriptions so that the erroneously included portions of the campus are not included within the Leases which will allow the District to improve its property and allow the district to encumber its property, if necessary, in future campus facilities. The Board's approval today authorized the execution of the necessary amendments and a Certificate from the Board regarding the amendments.

Ms. Sheehan asked for any comments. No response.

**A motion was made by Mr. Joseph and Second by Ms. McKim to approve Action Item 16**

**Action Item 16 was approved by a 3-0 vote.**

**OTHER BUSINESS:**

*Other Business Part I*

Ms. Finn then told the Board that there was two Other Business Items, first, to adopt a resolution authorizing the execution of three contracts with Nationally Recognized Bond Counsel firms. The purpose was to assist and advise the Board staff on complex financing, real estate, federal tax issues and related matters. The contracts will be up to three years in length and in such amounts as staff deemed appropriate beginning June 1, 2006. Due to the specialized nature of the services to be rendered, staff recommended exempting the contracts from Disabled Veteran Business Enterprise requirements. Consent to contract out from Attorney General's Office had been obtained. This would also modify the Board's March 10, 2006 action relating to bond counsel contract authorization consistent with this action. Based on proposals received in response to a Request for Qualifications, staff recommended awarding contracts to the following firms:

Orrick Herrington & Sutcliffe LLP

Stradling Yocca Carlson & Rauth

Squire Sanders & Dempsey LLP

**A motion was made by Mr. Joseph and Second by Ms. McKim to adopt a resolution for Other Business Part I**

**Other Business Part I was adopted by a 3-0 vote.**

*Other Business Part II*

Ms. Finn said the next other business was to adopt a resolution to rescind Rocel Bettencourt as Assistant Administrative Secretary to the Public Works Board, then, adopt a resolution to add Teresa Bierer in Rocel Bettencourt's stead.

This was voted on in two pieces;

**Ms. Sheehan asked for a motion for the first piece; to adopt a resolution to rescind Rocel Bettencourt as Assistant Administrative Secretary to the Public Works Board**

**A motion was made by Mr. Joseph and Second by Ms. McKim to adopt a resolution Other Business Part II (first piece) was adopted by a 3-0 vote.**

**Ms. Sheehan asked for a motion for the second piece; to adopt a resolution to adopt a resolution to add Teresa Bierer as Assistant Administrative Secretary to the Public Works Board**

**A motion was made by Ms. McKim and Second by Mr. Joseph to adopt a resolution Other Business Part II (second piece) was adopted by a 3-0 vote.**

**REPORTABLES:**

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

**NEXT MEETING:**

Ms. Finn said the next the next meeting (special) is set for:

**Friday, June 23, 2006, at 1:30 PM, at the State Capitol, Room 113.**

Ms. Finn said next regularly scheduled meeting is set for:

**Friday, July 14, 2006, at 10:00 AM, at the State Capitol, Room 113.**

Ms. Sheehan requested that the July 14<sup>th</sup> meeting time be changed from 10:00 a.m. to 2:00 p.m.

Ms. Sheehan asked once more for any comment on any items and then adjourned the meeting.

**End at 1:45 p.m.**

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## **AGENDA AND STAFF ANALYSIS**

**NOTICE OF MEETING  
STATE PUBLIC WORKS BOARD  
Monday  
June 12, 2006**

The **STATE PUBLIC WORKS BOARD** will meet on, **Monday, June 12, 2006, at 1:30 p.m. in Room 113 in the State Capitol, Sacramento, California.** In accordance with provisions of Section 11125 of the Government Code, a copy of the Agenda is attached.

Karen Finn  
Administrative Secretary

Attachment



**STATE PUBLIC WORKS BOARD**

**Monday  
June 12, 2006  
1:30 p.m.  
Room 113  
State Capitol  
Sacramento, California**

**I. Roll Call**

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

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

**II. Approval of minutes from the April 14, 2006 and May 12, 2006 regular meetings.  
Report on conditional approvals of last meeting.**

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**BOND ITEM**

**BOND ITEM –**

**NO BOND ITEMS**

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## CONSENT ITEM

### CONSENT ITEM – 1

DEPARTMENT OF GENERAL SERVICES (1760)  
BUTTERFIELD STATE OFFICE COMPLEX  
SACRAMENTO COUNTY

*Authority: Government Code Section 14669.35*

Approve augmentation for the construction phase of this project

**\$987,000**  
**(0.5 percent of the total project)**  
**(8.9 percent cumulative total project)**

**APPROVED 3/0**

## CONSENT ITEM

### STAFF ANALYSIS ITEM – 1

Department of General Services  
Butterfield State Office Complex  
Sacramento County

Action requested

**The requested action will approve an augmentation for the construction phase of this project.**

Scope Description

**This project is within scope.**

The project encompasses the site development of approximately 88 acres of land, construction of a warehouse, central plant, office and support space of approximately 1 million square feet including the renovation of approximately 813,000 gross square feet of existing office space, support facilities and file storage. Work includes: Site Work to construct roads, parking, vehicular access gates, sidewalks, fencing, landscaping, site lighting and security and utilities for the new and existing facilities; construction of a 44,000 square foot warehouse; construction of a central plant to provide heating and cooling for the whole facility; construction of the Town Center and Building 3 (Office and Support Space); and renovation of the existing buildings 1 and 2. The project encompasses five separate bid packages. The first three bid packages, Package A - Warehouse, Package B – Site Work, Package C – Central Plant, have been completed. The fourth bid package, Package D – Building 3 and Town Center, is currently under construction and is finishing punch list and undergoing project closeout. Bid Package E – Renovation of Buildings 1 is approximately 13% complete.

### Funding and Cost Verification

**This project is not within cost.** This project has an anticipated deficit for Bid Package E. Previous augmentations were approved for Bid Packages D and E.

\$228,854,000 total authorized project costs

\$229,841,000 total estimated project costs

\$228,854,000 project costs previously allocated (including previous augmentations of \$17,854,000): \$1,500,000 for acquisition, \$5,578,000 preliminary plans, \$12,759,000 working drawings, and \$209,017,000 construction

\$987,000 requested augmentation

\$987,000 project costs to be allocated for construction phase: augmentation request for anticipated deficit necessary to complete Bid Package E

The amount requested is estimated to cover costs that could not have been anticipated prior to award of Bid Package E, including exterior work, tenant improvements for a tenant agency that was assigned to the space after design was complete, costs related to telecom space that was left out of the design. Savings realized in tenant modular systems furniture have been applied to reduce the requested amount for augmentation.

Lease revenue bonds for the project were sold in the Fall of 2003 and the Spring of 2005.

### CEQA

A Notice of Determination was filed with the State Clearinghouse on May 26, 2000 and the 30-day waiting period expired June 26, 2000.

### Due Diligence

Due Diligence was completed on September 15, 2003.

### Project Schedule

**The project schedule is as follows:**

Start Construction: January 2006 (Renovation)

Completion Date: February 2007 (Renovation)

**Staff Recommendation: Approve augmentation**

## CONSENT ITEM

### CONSENT ITEM – 2

**DEPARTMENT OF GENERAL SERVICES (1760)**  
**DEPARTMENT OF FORESTRY AND FIRE PROTECTION (3540)**  
**DEW DROP FOREST FIRE STATION**  
**AMADOR COUNTY**  
CDF Parcel Number 186, DGS Parcel Number 10205

*Authority: Chapter 208/04, Item 3540-301-0660(5)*

**Authorize acquisition consistent with the staff analysis**

**APPROVED 3/0**

## CONSENT ITEM

### STAFF ANALYSIS ITEM – 2

Department of General Services  
Department of Forestry and Fire Protection  
Dew Drop Forest Fire Station  
Amador County

#### Action requested

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

#### Scope Description

**This project is within scope.** The project provides for acquisition of the leased fee land interest and the construction of a replacement facility for the Dew Drop Forest Fire Station located in Amador County. The acquisition phase of the project includes acquiring the leased fee interest of approximately 4.2 acres currently under lease by the state through December, 2043. This acquisition will result in the state's fee simple ownership of the property and will enable funding for the project's construction phase through lease revenue bonds. The approximately 4.2 acres of land, along with an appurtenant access easement, is located in the rural Town of Pioneer on Highway 88 and Dew Drop Road (a private road) in Amador County. This requested action will authorize acquisition of approximately 4.2 acres.

#### Funding and Cost Verification

**This project is within cost.** Chapter 208, Budget Act of 2004, Item 3540-301-0660(5) provides \$50,000 for this acquisition. The property can be acquired with the funds available and in accordance with Legislative intent.

#### CEQA

A Negative Declaration was filed with the State Clearing House on May 3, 2000. A Notice of Determination was filed with the State Clearinghouse on June 23, 2000 and the statute of limitations expired on July 24, 2000. The findings in these documents report that this project will have no significant effect on the environment. It is of the opinion of the Department of General Services, Environmental Service Section (DGS/ESS) that the conditions and resources of the Dew Drop Fire Station have not substantially changed since the completion of the original environmental document in 2000. Because the existing structures are now over 50 years old, additional historical consultation was conducted and it was determined they are not of historical significance, nor is it likely the site contains unknown cultural resource sites (the surface of this site has been extensively disturbed).

#### Project Schedule

**The project schedule is as follows:**

The anticipated close of escrow is July 2006.

#### Condition of Property

The DGS/ESS staff conducted a site visit to the Dew Drop Forest Fire Station on March 18, 2005. The property was surveyed under land acquisition protocols for environmental due diligence and to confirm the original environmental review conducted for the new fire station replacement project in 2000 remains valid.

The property under consideration for acquisition has been in continuous use and occupancy by both the California Department of Forestry and Fire Protection (CDF) and the United States Forest Service (USFS), as an active forest fire station, since construction of the original facilities in the early 1950s. The property contains an existing apparatus building, barracks, administrative office and headquarters, a fire truck garage with space for two fire trucks, and a parking area. There are various appurtenant structures, including a wooden shed, a concrete 10,000-gallon water tank with associated shed (on a concrete foundation), an oval concrete tank pad, and 1,000-gallon dual fuel (diesel and unleaded gas) storage tanks and pump area with appropriate concrete containment.

The property is not reported to contain hazardous surface or subsurface conditions, including the presence of underground fuel storage tanks or petroleum contamination from adjacent properties. All fuel storage for the past several years has been in above-ground tanks that have had regular inspection. To the extent there might be incidental contamination on the project site, such as from fire-fighting equipment being parked at the existing station, the responsibility for such contamination rests with CDF because they are party to the operating agreement with the landowner, not USFS. However, as noted above, no such incidental contamination was observed in the various site surveys of the property or reported to regulatory agencies. The USFS fire station is serviced by PG&E (electric power poles are present on the property), a water well, and two propane tanks (only one of which is in use).

The acquisition parcel is abutted by Highway 88 to the south and encircled by Dew Drop Road to the north, east and west. Across Dew Drop Road to the north, east, and west is acreage owned by Sierra Pacific Industries (SPI). Currently, SPI leases their land nearest to the Forest Fire Station to ATT/Cingular Wireless, for a cell tower site, and to Timberland Resources, for heavy equipment storage (Jack Frost, SPI, personal communication). To the south, across Highway 88 is a US Forest Service scenic corridor and privately owned acreage.

Additional observations and/or recommendations resulting from the site visit are:

- Proper disposal of any creosote railroad ties if/when the retaining wall is repaired or removed.
- Removal of the second propane tank if it is not going to be put into service.
- Cover or secure the un-used concrete vault (approximately 3.5' x 2.5' x 2') located at the edge of the parking area near the station's main building to prevent it from becoming a safety hazard (e.g., tripping or falling for people and animals).
- Secure the electrical panel box which is mounted on the wooden support structure.
- Remove the scrap wood posts, lumber, rebar and metal pipe currently piled upon the oval concrete tank pad.

A Phase I Environmental Site Assessment report was not available for this property and is not deemed necessary. CDF and the USFS have actively used the Dew Drop Forest Fire Station for at least the past 20 years. No recognized environmental conditions or other potential problems with hazardous materials (e.g., ground and/or vegetation staining) were identified with the proposed acquisition property during the site visit and the property is compatible with the proposed future use as a forest fire station.

Other:

- The State Public Works Board approved this project for site selection on October 20, 2005.
- The proposed site meets the requirements of the CDF.
- The property is currently improved with a state forest fire station built in late 1952.
- In 1944, the state entered into a long-term lease agreement with the property owner for 99 years, the lease will expire in 2043. Rental terms of the lease include a one time payment of one dollar creating a significant leasehold interest for the state due to the below market

lease rent. This acquisition would allow the state to acquire the leased fee interest (Lessor's interest) of the property resulting in fee simple ownership for the state.

- The purchase price shall not exceed estimated fair market value as determined by a DGS approved appraisal.
- CDF is not aware of any lawsuits pending concerning the property. The Property Acquisition Agreement will require delivery of title to the property free and clear of any mortgages or liens.
- There is no implied dedication involved with this project.
- There is no relocation assistance involved with this project.
- Observations and/or recommendations addressed by DGS/ESS in the Condition of Property statement will be addressed within the scope of the construction project. These items are a result of the state's use of the site over the past 60 years.
- The USFS has a Cooperative Agreement (Agreement) dated 1997 and amended 2001 for use of a portion of the site. The Agreement allows for USFS use of the portion through December 31, 2015, with a thirty-day termination notice requirement. The Agreement has no impact on the proposed acquisition. The state will replace the Agreement with a lease to the USFS after the state acquires fee ownership.

**Staff Recommendation:**                      **Authorize acquisition**

## CONSENT ITEM

### CONSENT ITEM – 3

DEPARTMENT OF GENERAL SERVICES (1760)  
DEPARTMENT OF BOATING AND WATERWAYS (3680)  
HUMBOLDT BAY BOATING INSTRUCTION AND SAFETY CENTER  
HUMBOLDT COUNTY

Authority: Chapter 379/02, Item 3680-301-0516 (01)

Approve augmentation for the construction phase of this project.

**\$330,000**  
(8.1 percent total project)  
(16.9 percent cumulative total project)

**APPROVED 3/0**

## CONSENT ITEM

### STAFF ANALYSIS ITEM – 3

Department of General Services  
Department of Boating and Waterways  
Humboldt Bay Boating Instruction and Safety Center  
Humboldt County

Action Requested

**The requested action will approve an augmentation for the construction phase of this project.**

Scope Description

**This project is within scope.** The approved project consists of building a two story Boat Instruction and Safety Center (16,500 sf), including boat storage bays, reception/entry, training rooms, conference rooms, locker/shower/restrooms, laundry, multi-purpose room with kitchen, office space, and storage equipment rooms. Site work includes a fenced boat operations area (8,550 square feet), a parking lot (10,000 square feet), walkways, and landscaping.

Funding and Project Cost Verification

**This project is not within cost.** The Department of Boating and Waterways has requested an augmentation of \$330,000 to the construction phase of the Humboldt Bay Boating Instruction and Safety Center project to fund pending change orders, increased administration costs, and the partial restoration of construction contingency. Combined with prior augmentations, this request will result in a cumulative augmentation of \$685,701 (16.9 percent total project and 19.1 percent total construction) and total construction costs of \$4,285,701.

Item 3680-301-0516(1), Budget Act of 2001 and Item 3680-301-0516(1), Budget Act of 2002, appropriated a total of \$4,067,000 for preliminary plans, working drawings, and construction for

this project. This project was previously augmented on two separate occasions by a total of \$355,701 (8.8 percent total project). The two prior augmentations for this project were used to award the contract (\$233,881 or 5.8 percent total project) and to provide an increased level of on-sight construction inspection oversight (\$121,820 or 3.0 percent total project) needed to ensure code compliance.

Currently, construction of this project is approximately 70 percent complete. However, based on the contractor's protracted schedule, the estimated completion date for this project is now August 2006, eight months beyond the original completion date. Because of this delay and the need to provide continued construction management and inspections, the Department of General Services (DGS), who is responsible for those activities on the project, estimates a need for approximately \$289,000. In addition, contract change orders needed to address unforeseen conditions and increased State Fire Marshal fees have further depleted construction contingency funds. Consequently, this request also includes \$41,000 to fund contract change orders, which will leave \$25,000 in contingency funds to help ensure the completion of the project.

Although the DGS has assessed Liquidated Damages against the contractor at the maximum amount allowed under the contract (\$800 per day), these funds must be held in abeyance until the project is complete and any contractor claims have been settled. Therefore, these funds cannot be utilized to address this funding shortfall. However, at the conclusion of the project and the subsequent claims/arbitration period, any excess or recovered funds will be available to help offset this augmentation and will be reverted to the source of the original appropriations (Harbors and Watercraft Revolving Fund).

On May 19, 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 June 12, 2006.

\$4,383,000 total authorized project costs

\$4,713,000 total estimated project costs

\$4,383,000 project costs previously allocated: \$205,000 preliminary plans, \$222,000 working drawings, and \$3,956,000 construction (\$3,329,000 contract, \$166,000 contingency, \$461,000 A&E and other project costs)

\$330,000 requested augmentation: construction (\$16,000 contract, \$25,000 contingency, \$289,000 A&E)

#### CEQA

A Notice of Determination was filed with the State Clearinghouse on June 17, 2002 and the waiting period expired on July 16, 2002.

#### Due Diligence Status

The Department of General Services prepared a Summary of Conditions Memo on October 10, 2003 for this project and it was noted that no significant issues were identified.

#### Project Schedule

**The project schedule is as follows:**

Complete construction: August 2006

**Staff Recommendation: Approve augmentation**

## CONSENT ITEM

### CONSENT ITEM – 4

DEPARTMENT OF GENERAL SERVICES (1760)  
DEPARTMENT OF PARKS AND RECREATION (3790)  
MONTEREY STATE BEACH, SAND CITY (PARK APPRAISAL AREA)  
MONTEREY COUNTY

DPR Parcel Number 003181-77, DGS Parcel Number 10416

*Authority: Chapter 52/00, Item 3790-302-0005 (15);  
As reappropriated by Chapter 157/03, Item 3790-490-0005(15)*

**Authorize site selection for this project**

**APPROVED 3/0**

## CONSENT ITEM

### STAFF ANALYSIS ITEM – 4

Department of General Services  
Department of Parks and Recreation  
Monterey State Beach – Sand City (Park Appraisal Area)

Action requested

**The requested action will authorize site selection for this project.**

Scope Description

**This project is within scope.** The Legislature has approved funding from Proposition 12 (Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Act of 2000) to acquire coastal property in Sand City, Monterey County, as an addition to Monterey State Beach. The Department of Parks and Recreation (DPR) has identified three properties to acquire: R-3 Area, Park Appraisal Area, and Big Sur Land Trust Opportunity Purchase.

This request will authorize acquisition of the Park Appraisal Area, which consists of fee simple interest in 26 parcels totaling approximately 7.69 acres and is adjacent to the existing Monterey State Beach. The parcels will be acquired from Monterey Peninsula Regional Park District. The acquisition of these parcels will preserve vital habitat for the Western Snowy Plover and the endangered Smith's Blue Butterfly. It will also provide passive recreation opportunities.

Funding and Cost Verification

**This project is within cost.** This purchase is one of three Sand City acquisitions that will be funded out of the Monterey State Beach: Acquisition project. Chapter 52/00, Item 3790-302-0005(15) provides \$2,500,000 in funding for the Monterey State Beach: Acquisition project. The balance of the appropriation is sufficient to acquire the subject properties in accordance with legislative intent.

#### Project Schedule

**The project schedule is as follows:**

The anticipated close of escrow is July 2006.

#### Condition of Property

The Department of General Services, Environmental Services Section (DGS/ESS) staff conducted a site visit to the Monterey Peninsula Regional Park District, Park Appraisal Area, on January 4, 2006. The acquisition consists of approximately 7.69 acres of unimproved rolling sand dunes area, which has been subdivided into "paper" (undeveloped) lots. The property is located within Sand City, Monterey County, California. Fell Street is the southerly boundary, Tioga Avenue on the north, Sand Dunes Drive to the east, and Ocean View Avenue along the bluff overlooking Monterey Bay as the westerly boundary.

A Phase I Environmental Site Assessment (ESA) report was not available for this property and is deemed not necessary due to the nature (rolling sand dunes) and condition (no evidence of improvements, past or present) of the land. No other potential problems with hazardous materials, e.g., ground and/or vegetation staining were observed during the DGS/ESS site visit. The property is compatible with the proposed future use as an addition to the Monterey State Beach for purposes of habitat protection and recreation use.

#### Other:

- The purchase price will not exceed the estimated fair market value as determined by a DGS approved appraisal.
- The property is vacant and unimproved.
- There is no implied dedication applicable to this property.
- The acquisition will decrease likelihood of development of smaller surrounding parcels.
- There is no relocation assistance involved with this project.
- This property is adjacent to the existing Monterey State Beach and is inland from the beach.
- The DPR intends to use the property for habitat protection and to protect the viewshed. 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 PARKS AND RECREATION (3790)  
HUMBOLDT REDWOODS STATE PARK, HORSE COLLAR  
HUMBOLDT COUNTY**  
DPR Parcel No. 003177; DGS Parcel No. 10415

Authority: ~~Chapter 379/02, Item 3790-301-6029(6),  
As reappropriated by Chapter 38/05, Item 3790-491-6029(6)~~  
*Authority Chapter 157/03, Item 3790-301-6029(10)  
as reappropriated by Chapter 47 and 48/06, Item 3790-491*

**Authorize site selection**

**(Technical Change made to the authority of this item on 6/27/06)  
APPROVED 3/0**

## CONSENT ITEM

### STAFF ANALYSIS ITEM – 5

Department of General Services  
Department of Parks and Recreation  
Humboldt Redwoods State Park, Horse Collar  
Humboldt County

#### Action requested

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

#### Scope Description

**This project is within scope.** This request will authorize selection of approximately 24.1 acres of land contiguous to other state-owned property and nearby Humboldt Redwoods State Park. 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 acquisition will allow the Department of Parks and Recreation (DPR) to fulfill two important missions: (1) acquire in-holdings and adjacent properties to the State Park System; and (2) preserve sustainable redwood forest ecosystems. This acquisition will expand the 53,000 acre Humboldt Redwoods State Park by approximately 24 acres of fully timbered property consisting of old growth and second growth redwood stands, in addition to some scattered fir and hardwoods.

#### Funding and Cost Verification

**This project is within cost.** Chapter 379/02, Item 3790-301-6029(6), as reappropriated by Chapter 38/05, Item 3790-491-6029(6), provides \$ 40,000,000 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 May 31, 2006, and the statute of limitations should expire on or about July 5, 2006.

#### Condition of Property

On December 2, 2005, staff from the Department of General Services, Real Estate Services Division, Professional Services Branch-Environmental Services Section (DGS-ESS) conducted a site survey of the approximate 24-acre proposed acquisition. The property is located along the western portion of Humboldt Redwoods State Park in Humboldt County. There is a California Department of Transportation right-of-way for Highway 101 separating the subject parcel from the park.

The acquisition area consists primarily of old growth and second growth redwood stands on steeply sloping terrain. The redwoods and other vegetation are very healthy. While the property was logged many years ago, the parcel is entirely undeveloped forest land. There are no structures, roads, utilities, etc. and no evidence of historic development on the parcel.

The property is bound on the east side by the Highway 101 right-of-way which consists of a wide graded area used for short-term material storage and off-highway parking. However, this area is down-gradient of the acquisition area so there is little risk of incidental contamination affecting the parcel.

The property contained no significant debris or abandoned vehicles at the time of the survey. Given its steep terrain and remote setting it is unlikely that illegal dumping has occurred since the survey or that it would happen in the future.

A formal environmental site assessment was not considered necessary for this acquisition because the property consists of redwood forest situated far from urban development and its influences. DGS-ESS concluded that the property has no short or long-term liabilities or conditions that warrant further, detailed environmental studies.

#### Project Schedule

##### **The project schedule is as follows:**

The anticipated close of escrow is July 2006.

#### Other

- The purchase price shall not exceed the fair market value of the property, as determined by DGS.
- This property is fully timbered and consists of approximately 73 percent old-growth (250 years) and 25 percent second-growth (50 years) stands. Scattered fir and hardwoods comprise the remaining 2 percent. Other than remains of legacy logging roads, there are no improvements on the property.
- In a Purchase and Sale Agreement (PSA) executed on January 3, 2006, between the current property owner, Scotia Pacific Company (SPC), and Save-the-Redwoods League (SRL), SPC agreed to sell the property to SRL for \$1,646,000. As a condition of the PSA, SRL will direct SPC to transfer title directly to DPR at closing. A First Amendment to the PSA was executed on January 5, 2006, to grant an insured access easement to provide access to and from Highway 101 to the property.
- The SRL is prepared to contribute 50 percent of the \$1,646,000 purchase price for this acquisition, if the state pays the remaining 50 percent. The SRL's offer to contribute 50 percent of the purchase price is conditioned upon DPR and SRL entering into a Use Restriction Agreement that requires the state to use the property for State Park purposes only. The use restriction can be removed if either of two actions occur: (1) the Legislature deems all or part of the property is in excess of the state's foreseeable needs and authorizes the sale of the property; or (2) the State Public Works Board recommends that the property be transferred to another state agency for a higher and better public purpose. In either event, to remove the use restriction, contingent upon appropriation and availability of funds, DPR will be required to pay the SRL 50 percent of the property's then current market value or 50 percent of the prorated value of the portion thereof designated for alternative use, less the value of any state improvements.
- A Memorandum of Agreement (MOA) was executed in February 2006 between SPC, SRL, DPR, the California Resources Agency, the California Department of Fish and Game, the California Department of Forestry and Fire Protection, and the Wildlife Conservation Board. The MOA identifies a Habitat Conservation Plan (HCP) and Implementation Agreement for the HCP for the properties of SPC and the recordation of the Agreement Relating to Enforcement of AB 1986 (AB 1986 Agreement). The AB 1986 Agreement implements a state law that sets forth minimum standards governing management of the lands covered by the HCP. A condition of the MOA acknowledges that DPR's management of the acquisition property will not trigger any land management obligations required by the AB 1986 agreement.
- The Property Acquisition Agreement (PAA) does not include the state's standard indemnification language, potentially exposing the state to additional fiscal liability. However, the DGS-ESS site visit of the 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.

- The DPR asserts that the lack of indemnification language does not expose the state to additional liability because the state is not responsible for conditions it did not cause. Although there is no guarantee that the state would not be held responsible, it should be noted that case law typically finds that the party causing an unacceptable environmental condition or contamination is held liable for any such condition or contamination.
- The property is vacant and unimproved. There is no relocation assistance involved with this project.
- The DPR is not aware of any lawsuits pending concerning the property. The PAA will require delivery of title to the property free and clear of any mortgages or liens.
- This fully timbered forest land is not conducive to public use. The DPR intends to provide periodic patrol by existing staff on routine patrols of nearby and adjacent state owned property. As such, no additional support needs are anticipated with the acquisition of this property.
- While DPR does not foresee changes at this time to public access, development or resource needs, any such changes will be addressed through the normal budget process.

**Staff Recommendation:     Authorize the site selection**

## CONSENT ITEM

### CONSENT ITEM – 6

DEPARTMENT OF GENERAL SERVICES (1760)  
DEPARTMENT OF PARKS AND RECREATION (3790)  
MONTEREY STATE BEACH, SAND CITY (R-3 AREA)  
MONTEREY COUNTY

DPR Parcel Number 003182-77, DGS Parcel Number 10417

*Authority: Chapter 52/00, Item 3790-302-0005 (15),  
As reappropriated by Chapter 157/03, Item 3790-490-0005(15)*

**Authorize site selection**

**APPROVED 3/0**

## CONSENT ITEM

### STAFF ANALYSIS ITEM – 6

Department of General Services  
Department of Parks and Recreation  
Monterey State Beach, Sand City (R-3 Area)  
Monterey County

Action requested

**The requested action will authorize site selection for this project.**

Scope Description

**This project is within scope.** The Legislature has approved funding from Proposition 12 (Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Act of 2000) to acquire coastal property in Sand City, Monterey County, as an addition to Monterey State Beach. The Department of Parks and Recreation (DPR) has identified three properties to acquire: R-3 Area, Park Appraisal Area, and Big Sur Land Trust Opportunity Purchase.

This request will authorize acquisition of the R-3 Area, which consists of fee simple interest in 16 parcels totaling approximately 7.48 acres and is adjacent to the existing Monterey State Beach. The parcels will be acquired from Monterey Peninsula Regional Park District. The acquisition of these parcels will preserve vital habitat for the Western Snowy Plover and the endangered Smith's Blue Butterfly. It will also provide passive recreation opportunities.

### Funding and Cost Verification

**This project is within cost.** This purchase is one of three Sand City acquisitions that will be funded out of the Monterey State Beach: Acquisition project. Chapter 52/00, Item 3790-302-0005(15) provides \$2,500,000 in funding for the Monterey State Beach: Acquisition project. The balance of the appropriation is sufficient to acquire the subject properties in accordance with legislative intent.

### Project Schedule

**The project schedule is as follows:**

The anticipated close of escrow is August 2006.

### Condition of Property

The Department of General Services, Environmental Services Section (DGS/ESS) staff conducted a site visit to the Monterey Peninsula Regional Park District, R-3 Area, on January 4, 2006. The acquisition consists of approximately 7.48 acres of unimproved rolling sand dunes. The property is located within Sand City, Monterey County, California. Fell Street is the southerly boundary, Tioga Avenue on the north, Sand Dunes Drive to the east, and Ocean View Avenue along the bluff overlooking Monterey Bay as the westerly boundary.

A Phase I Environmental Site Assessment report was not available for this property and is deemed not necessary due to the nature (rolling sand dunes) and condition (no evidence of improvements, past or present) of the land. No other potential problems with hazardous materials, e.g., ground and/or vegetation staining was observed during the ESS site visit and the property is compatible with the proposed future use as an addition to the Monterey State Beach for purposes of habitat protection and recreation use.

### Other:

- The purchase price will not exceed the estimated fair market value as determined by a DGS approved appraisal.
- The acquisition will decrease the likelihood of development of smaller surrounding parcels.
- The property is vacant and unimproved.
- There is no implied dedication applicable to this property.
- There is no relocation assistance involved with this project.
- This property is adjacent to the existing Monterey State Beach and is inland from the beach. The DPR intends to use the property for habitat protection and to protect the viewshed. 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 – 7

DEPARTMENT OF GENERAL SERVICES (1760)  
DEPARTMENT OF PARKS AND RECREATION (3790)  
MONTANA DE ORO STATE PARK, LOS OSOS DUNES AND WETLANDS  
SAN LUIS OBISPO COUNTY  
DPR Parcel Number 007565-77, DGS Parcel Number 10216

*Authority: Chapter 379/02, Item 3790-301-6029(6),  
As reappropriated by Chapter 38/05, Item 3790-491-6029(6);  
Chapter 379/02, Item 3760-301-0262(1);  
Chapter 208/04, Item 3760-301-6029(1.5);  
Chapter 38/05, Item 3760-301-0262(1);  
Public Resources Code Section 31012(f);  
Water Code Section 79565;  
Fish and Game Code Section 2787(b)*

**Authorize acquisition consistent with staff analysis**

**APPROVED 3/0**

## CONSENT ITEM

### STAFF ANALYSIS ITEM – 7

Department of General Services  
Department of Parks and Recreation  
Montana de Oro State Park, Los Osos Dunes and Wetlands  
San Luis Obispo County

#### 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 acquisition of fee simple interest of a 42.22-acre parcel of land to be acquired from the property owner. The 42.22 acres are made up of coastal sage scrub habitat. This property will be added to the Montana de Oro State Park. It will create access to a significant reach of the coastal dunes of Morro Bay. The property is bounded by low density, single-family residential development to the north, east, and south.

#### Funding and Cost Verification

**This project is within cost.** The DPR will provide funding for this acquisition in fee simple interest and associated overhead for the real property. Chapter 379/02, Item 3790-301-6029(6), as reappropriated by Chapter 38/05, Item 3790-491-6029(6), provides \$40,000,000 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. Grants from the State Coastal Conservancy (Chapter 379/02, Item 3760-301-0262(1), Chapter 208/04, Item 3760-301-6029(1.5), Chapter 38/05, Item 3760-301-0262(1), Public Resources Code Section 31012(f), and Fish and Game Code Section 2787(b)) and the Wildlife Conservation Board (Water Code Section 79565), will provide the remainder of the funding.

\$3,315,000 total authorized project costs

\$3,315,000 total estimated project costs

\$10,000 project costs previously allocated: Phase One and Department of General Services (DGS) staff costs

\$3,305,000 project costs to be allocated: \$3,300,000 acquisition, DGS review \$1,000 and approximately \$4,000 title and escrow

#### CEQA

A Notice of Exemption was filed with the State Clearinghouse on November 18, 2003, and the statute of limitations expired on December 23, 2003.

#### Project Schedule

**The project schedule is as follows:**

The anticipated close of escrow is June 2006.

### Condition of Property

The DGS Environmental Services Section (ESS) staff conducted a site visit to the Los Osos Dune property in November 2003. Follow-up visits by ESS staff were made in May 2004 and April 2006. The existing condition of the property (consisting of two parcels) is predominately dense coastal sage scrub vegetation. In nearly the center of the east/west axis of the larger parcel there is the alignment of an old road/trail that has served as the access way for to the coastal dunes for over 50 years. The alignment was formally an unpaved road; the alignment has been reduced to a hiking trail in recent years. This trail alignment lines up and connects with the existing State Parks trail system to the west.

The only reported non-recreational use of this property was as part of a military training area associated with World War II training and amphibious landing practice. The dune complex closer to the ocean (west) was used for limited live-fire exercises for a short period in the 1940's. Because of concern that unexploded ordnance could be present on this property, which lies at some distance east of the impact range, another Phase I Environmental Site Assessment was conducted by MACTEC in January 2005. The report concluded there was a remote possibility of unexploded ordnance on the property. This conclusion is supported by area-wide ordnance investigations prepared in the 1990's by the U. S. Army Corps of Engineers; statistical sampling of the property indicated there was an extremely remote potential for live ordnance in area.

There are two other factors that further reduce the potential for public access conflicts with areas that could have live ordnance, regardless of how remote the possibility is of encountering such materials. The first factor is that because a significant portion of this parcel is difficult to access due to terrain and dense vegetation it is unlikely hikers would enter most of the site; it is simply difficult to walk over. The second factor is that the existing access alignment has been used for so many years it is extremely unlikely it could still contain live ordnance.

No potential problems with hazardous materials (tanks, debris, off-site plumes, etc.) were observed or reported in the area. The property is compatible with the proposed future use as an addition to the Montaña de Oro State Park.

### Other:

- The State Public Works Board approved this project for site selection on April 9, 2004.
- The purchase price does not exceed estimated fair market value as determined by a DGS approved appraisal.
- Grants from the State Coastal Conservancy, the Wildlife Conservation Board and U.S. Fish and Wildlife Services require the acquisition be used for the following purposes: wildlife habitat preservation, restoration and management, wildlife-oriented education and research, compatible public uses, natural resource protection, and open space preservation and public access including the development of the California Coastal Trail. This acquisition is consistent with the intent of Proposition 40.
- A portion of the Montana de Oro State Park was the former Baywood Park Training Area (BPTA). The BPTA was used by the military for limited live-fire exercises for a short period in the 1940's. The acquisition property, while a part of the former BPTA, lies some distance east of the live-fire impact range at the BPTA. Due to the proximity of the former live-fire range, DPR is taking precautions by restricting access to the property. The DPR has placed signs on the property and installed cable fencing to keep users on the existing trails.
- The Property Acquisition Agreement (PAA) does not include the state's standard indemnification language; however, environmental surveys of this property have not identified 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.

- Mineral rights have been reserved on the property by prior deeds; however, a review of the records of the Department of Conservation and the California Geological Survey indicate no exploration or extraction of minerals in the area.
- The DPR will be acquiring fee title, free and clear of any liens.
- The DPR is not aware of any lawsuits pending concerning the property.
- The property is vacant and unimproved.
- There is no relocation assistance involved with this project.
- There is no implied dedication applicable to this property.
- At site selection approval, the DPR estimated that this acquisition would result in the need for 1 Personnel Year (PY) and ongoing costs of \$34,000 for personal services, resource protection, and maintenance. In addition, the DPR further estimated the need for one-time costs of \$23,000 for fencing, gates, signage, erosion control, and exotics infestations. The property is contiguous to the existing Montana de Oro State Park and the DPR will provide limited resource protection. The DPR has re-evaluated the need for ongoing support costs and one-time costs and determined the costs associated with keeping the property in its current condition will be minimal.
- 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 acquisition**

**CONSENT ITEM**

**CONSENT ITEM – 8**

**DEPARTMENT OF GENERAL SERVICES (1760)  
DEPARTMENT OF PARKS AND RECREATION (3790)  
POINT SUR STATE HISTORIC PARK/POINT SUR LIGHT STATION  
MONTEREY COUNTY**  
DPR Parcel No. 520A, DGS Parcel No. 10409

*Authority: Public Resources Code Section 5005  
Government Code Section 11005  
Chapter 157/03, 3790-301-6029(10)*

**Authorize a no cost acquisition of real property**

**APPROVED 3/0**

## CONSENT ITEM

### STAFF ANALYSIS ITEM – 8

Department of General Services  
Department of Parks and Recreation  
Point Sur State Historic Park/Point Sur Light Station  
Monterey County

#### Action requested

**Authorize a no cost acquisition of real property.**

#### Scope Description

**This project is within scope.** The Department of Parks and Recreation (DPR) has been offered a donation of the Point Sur Light Station (Light Station) from the United States Coast Guard (Coast Guard). The Light Station property is situated within the confines of the Point Sur State Historic Park on approximately 12 acres in the unincorporated area of Monterey County. The transfer of ownership from the Coast Guard is in accordance with the National Historic Lighthouse Preservation Act of 2000 (Act), of which the DPR applied for a formal application to take ownership of the property. Pursuant to the Act, the Point Sur Light Station is one of several light stations across the nation that are to be gifted in fee to the most qualified applicants to preserve the cultural, recreational and educational value associated with historic light station properties.

In an attempt to prevent the ownership of the Light Station from falling under the control of a non public agency, the DPR successfully applied for ownership, and was awarded the property. The DPR has managed and operated the Light Station as its main feature at the Point Sur State Historic Park since July 1, 1996, in accordance with a five year renewable lease that expires on June 30, 2006. The acquisition of the Light Station will provide the state with a unique opportunity to acquire one of the few remaining historic light stations in the country.

#### Funding and Cost Verification

**This project is within cost.** The Public Resources Code, Section 5005, allows the 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 state 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.

The Government Code, Section 11005, requires that gifts of real property in fee must be approved by the Director of the Department of Finance unless the Legislature specifically provides that such approval is not required.

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 of the subject property (currently estimated to be \$1,500) in accordance with legislative intent.

#### CEQA

A Notice of Exemption was filed with the State Clearinghouse on March 14, 2006, and the 35-day statute of limitations expired on April 18, 2006.

## Project Schedule

### **The project schedule is as follows:**

The anticipated acquisition is July 2006.

## Condition of Property

The Department of General Services (DGS), Environmental Services Section (ESS) staff conducted a site visit to the Point Sur Light Station on January 4, 2006. The acquisition consists of approximately 12 acres (portion of APN 159-011-007) containing the Point Sur Light Station and appurtenant structures located adjacent to the Point Sur State Historic Park, Monterey County, California. The Point Sur Light Station is located ½ mile west of Highway 1 on Moro Rock approximately 19 miles south of Carmel.

A Phase I Environmental Due Diligence Audit (EDDA) was prepared by Tetra Tech, Inc. in May 2002, as part of the requirements of environmental due diligence efforts under the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA). The EDDA was reviewed by ESS staff and found to be in accordance with the guidelines set forth in the Civilian Federal Agency Task Force *Guide on Evaluating Environmental Liability for Property Transfers*, dated August 1998, for conducting EDDAs. The following summarizes the Tetra Tech (2002:5-4) findings: "Other than the potential for lead (due to flaking paint) in the soil around the oil house and the possibility of fuel tanks inside, no areas of significant environmental concern were identified that would require further action."

ESS staff identified the presence of two above ground fuel tanks (ASTs) contained within the oil house. These two oil tanks do not appear to pose an environmental hazard. The tanks have been empty for several years. The tanks are sitting on wood blocks above the concrete floor of the oil house. There is no evidence of leaking or staining on the concrete floor. The 1920 concrete block oil house is historically significant as a representative example of an early 20<sup>th</sup>-century light station oil house. This is one of only two oil houses of this design, built by the U.S. Lighthouse Service, still standing even though it was a common and often-used design. The presence of the oil tanks and associated piping in their original location within the oil house most likely are contributing factors to the historic designation of the oil house.

Any flaking of lead based paint would be minimal and does not pose a significant health risk to persons visiting the site. As with any buildings of this age, it is recommended that appropriate precautions for possible exposure to asbestos and/or lead based paint be taken during any remodeling or construction activities. No other potential problems with hazardous materials, e.g., ground and/or vegetation staining was observed during the ESS site visit and the property is compatible with the proposed future use as an addition to the Point Sur State Historic Park.

## Other:

- Pursuant to Government Code Section 11005, gifts of real property in fee must be approved by the Director of the Department of Finance. In addition, administrative policy requires that departments requesting the approval of gifts of real property first obtain approval from the State Public Works Board (PWB).
- There is no relocation assistance involved with this project.
- DPR is not aware of any lawsuits pending concerning the property.
- There are no current easements on title associated with this property. However, the Coast Guard is reserving an easement for Federal Aid to Navigate, access, utility, visual, auditory, and for communication tower purposes. DPR anticipates that none of the easements will interfere or create a problem with continued public use and historic preservation of the existing structures
- DPR is not aware of an immediate need to address or remediate potential safety or

environmental issues pertaining to the property. The acceptance of a gift of real property therefore, presents no additional management and operation costs above the existing costs associated with the property under the license. It should be noted that the potential for future facility maintenance costs exists as the property ages.

- The standard federal quitclaim deed cites the need for insurance coverage. The state of California is self insured, and the federal government is satisfied this status is in compliance with the quitclaim language. In the event that an unforeseen circumstance were to occur that would cause damage to the property, the state would be liable to address such damages.
- A reversionary clause contained in the deed restrictions mandates that ownership of the Light Station will revert back to Coast Guard if the property is not in compliance with any of the following terms and conditions: (1) the historic light station ceases to be available for education, park, recreation, cultural, or historic preservation purposes for the general public; (2) the property is not maintained in accordance with the Secretary of Interior's Standards for Treatment of Historic Properties, 36 CFR Part 68, Standards for Preservation (In hierarchical order, the four Standards are: Preservation, Rehabilitation, Restoration, and Reconstruction. Preservation places a high premium on the retention of all historic fabric through conservation, maintenance and repair.); (2) if the state attempts to sell, convey, assign, exchange, or encumber the historic light station without the approval of the Secretary; (3) the state conducts commercial operations at the light station or; (4) in the event that the property is needed for national security purposes by the Coast Guard.
- The Coast Guard warrants that all remedial action necessary to protect human health and the environment has been taken before the date of the conveyance of the Light Station.
- The Coast Guard will convey the Light Station property to the state subject to any and all existing reservations, easements, leases, licenses, outgrants, restrictions, and rights, recorded or unrecorded for public roads and access.
- The conditions of the structures were reviewed by DPR staff, along with DGS's ESS staff, both of which were provided copies of the Phase I and the "Summary of Lead Based Paint locations". The conclusions and recommendations regarding lead based paint are that any contractor involved in construction activities at the site complies with OSHA regulations (29 CFR 1926.62 Lead in Construction Standard). Any future construction contracts, if any, put out for bid by DPR will include such language.

**Staff Recommendation: Authorize acquisition**

## CONSENT ITEM

### CONSENT ITEM – 9

DEPARTMENT OF PARKS AND RECREATION (3790)  
BIG BASIN REDWOODS STATE PARK, WATER SYSTEM IMPROVEMENTS  
SANTA CRUZ COUNTY

*Authority: Chapter 38/05, Item 3790-301-6029 (1)*

**Recognize scope change for this project**

**APPROVED 3/0**

## CONSENT ITEM

### STAFF ANALYSIS ITEM – 9

Department of Parks and Recreation  
Big Basin Redwoods State Park, Water System Improvements  
Santa Cruz County

Action requested

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

Scope Description

**This project is not within scope.** The Department of Parks and Recreation (DPR) has requested a scope change for the Big Basin Redwoods State Park, Water System Improvements project, to construct a new water storage tank in lieu of renovating the existing 100,000-gallon Panoramic Water Storage Tank (Panoramic Tank). This request will allow the DPR to meet the state's water quality standards and complete the project within the budgeted amount while remaining sensitive to the recently discovered cultural significance of the Panoramic Tank. As such, the revised project will include the construction of a new 102,000-gallon above-ground welded stainless steel water storage tank.

Based on cultural research conducted during preliminary plans, it has been determined that the Panoramic Tank is a historically significant feature. The Civilian Conservation Corps constructed the tank in 1936-37 and it is apparently the only water tank in the entire state park system with this type of wood constructed roof truss system. Based on these findings, the Panoramic Tank is eligible for listing in the California Register of Historical Resources and on the National Register of Historic Places.

Due to the historical significance of the Panoramic Tank, it was determined that it would not be prudent to rehabilitate the Panoramic Tank as previously envisioned. A steel roof system was originally proposed to replace the wooden roof structure to comply with drinking water

standards, which prohibit wood or other organic material from coming into contact with the treated water. Because the culturally significant portion of the tank is the wood constructed roof truss system, the replacement of the wood constructed roof truss system with a steel system would destroy the historical significance of the Panoramic Tank. Therefore, the DPR is now proposing the installation of a new steel tank.

On May 19, 2006, the Department of Finance notified the chairs of the Joint Legislative Budget, the Senate Appropriations, and Assembly Appropriations Committees of its intent to recognize this scope change after **June 9, 2006**.

#### Funding and Cost Verification

**This project is within cost.** Once the proposed new tank is in place and the Panoramic Tank is removed from the drinking water system, stabilization (such as internal support beams) can then be pursued. The full cultural treatment of the tank has not yet been determined and will not be a part of this project, but any restoration efforts would be contingent upon future grants or state funding. It is expected that eliminating improvements to the Panoramic Tank will result in savings of approximately \$22,000, but actual savings will not be known until design work is completed.

\$3,096,000 total authorized project costs

\$3,074,000 total estimated project costs

\$236,000 project costs previously allocated: preliminary plans

\$2,816,000 project costs to be allocated: working drawings \$126,000 and construction \$2,690,000 (\$2,427,000 contract, \$170,000 contingency, \$63,000 A&E costs \$30,000 agency retained items) at CCCI 4328

\$22,000 estimated project savings

#### CEQA

To be provided at preliminary plans approval in August 2006.

#### Project Schedule

**The project schedule is as follows:**

Approve working drawings:	May 2007
Complete construction:	October 2008

**Staff Recommendation: Recognize scope change**

## CONSENT ITEM

### CONSENT ITEM – 10

**DEPARTMENT OF MENTAL HEALTH (4440)  
METROPOLITAN STATE HOSPITAL, CONSTRUCT SCHOOL BUILDING  
LOS ANGELES COUNTY**

*Authority: Chapter 106/01, Item 4440-301-0001(2.5)  
Chapter 379/02, Item 4440-301-0660 (2)  
Chapter 38/05, Item 4440-301-0660 (1.5)*

**Recognize a scope change to terminate the project**

**APPROVED 3/0**

## CONSENT ITEM

### STAFF ANALYSIS ITEM – 10

Construct School Building  
Department of Mental Health, Metropolitan State Hospital  
Los Angeles County

#### Action Requested

**This action will recognize a scope change to terminate the project.**

#### Scope Description

**This project is currently within scope.**

#### Funding and Cost Verification

**This project is within cost.**

\$9,614,000 total authorized project costs

\$860,000 total estimated project costs

\$860,000 project costs allocated to date: (preliminary plans \$412,000 General Fund) (\$448,000 working drawings, Lease Revenue Bond Funded)

-\$8,754,000 project costs to be reverted: construction

#### Other

Chapter 106, Statutes of 2001, Item 4440-301-0001 (2.5), Chapter 379, Statutes of 2002, Item 4440-301-0660 (2) and Chapter 38, Statutes of 2005, Item 4440-301-0660 (1.5) provided funding for preliminary plans, working drawing and construction for the Construct School Building Project at Metropolitan State Hospital in Norwalk, California.

The Department of Mental Health (DMH) has recommended termination of the Metropolitan State Hospital Construct School Building Project. When this project was first authorized in 2001, DMH was providing educational services to over 100 children that had been referred to the state hospital by the counties. Since then, the population has declined to a current level of approximately 30 youth with no expected rebound, because counties have found within their local communities placements for adolescents. Consequently, the proposed design of the school is much too large to serve its intended purpose and construction would not be an effective use of state resources. The DMH is currently evaluating alternatives for providing adequate educational space for the existing student population.

On May 8, 2006 the Department of Finance notified the chairs of the Joint Legislative Budget, the Senate Appropriations, and Assembly Appropriations Committees of its intent to revert unexpended authority after June 7, 2006 and to recognize a scope change to terminate the project at this PWB meeting.

**Staff Recommendation: Recognize scope change**

## CONSENT ITEM

### CONSENT ITEM – 11

DEPARTMENT OF CORRECTIONS AND REHABILITATION (5225)  
SIERRA CONSERVATION CENTER, JAMESTOWN, ELECTRIFIED FENCE  
TUOLUMNE COUNTY

Authority: Chapter 52, Statutes of 2000, Item 5240-301-0001 (36)  
Chapter 38/39, Statutes of 2005, Item 5225-301-0001 (18)

Approve augmentation to the construction phase for this project. **\$544,000**  
(13.8 percent of total project)

**APPROVED 3/0**

## CONSENT ITEM

### STAFF ANALYSIS ITEM – 11

Department of Corrections and Rehabilitation  
Sierra Conservation Center, Jamestown, Electrified Fence  
Tuolumne County

#### Action Requested

**The requested action will approve an augmentation to the construction phase for this project.**

#### Scope Description

**This project is within scope.** The electrified fence is a lethal barrier/deterrent constructed between a prison's double-perimeter security fence, allowing partial or total deactivation of perimeter guard towers, except at sallyports.

#### Funding and Project Cost Verification

**This project is not within cost.** The Department of Corrections and Rehabilitation (CDCR) is requesting an augmentation of \$544,000 to the construction phase (cumulative augmentation of 13.8 percent) because of increased costs to the construction contract.

Budget Acts of 2000 and 2005 (Chapter 52, Statutes of 2000, Item 5240-301-0001 (36) and Chapter 38/39, Statutes of 2005, Item 5225-301-0001 (18)) appropriated \$191,000 and \$3,745,000, respectively, from the General Fund for the design and construction of the Electrified Fence project at Sierra Conservation Center.

The Sierra Conservation Center is a Level III facility with a 500-bed design capacity, presently housing 1000 inmates. The current perimeter security includes six perimeter towers, two of which monitor and control vehicle and pedestrian traffic. An electrified fence would reduce the annual cost for security at the facility by approximately \$1.1 million, resulting from the deactivation of four guard towers.

Preliminary planning and working drawings were completed in November 2000 and April 2001 at a cost of \$147,667, within the limits of the original appropriations. The CDCR received two bids for the construction of the project on April 5, 2006. Both bids were over the project budget of \$3,745,000. The CDCR based its project costs on material prices available in 2005 as adjusted by the California Construction Cost Index (CCCI). The actual cost of construction materials used in this project rose more than the CCCI anticipated. If the CDCR awards the contract to the lowest bidder, the cost of the construction phase will increase by \$544,000, including construction costs of \$508,000 and a contingency reserve of \$36,000.

On May 19, 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 June 8, 2006.

\$4,480,000	total estimated project cost
\$3,936,000	project costs previously allocated: preliminary plans \$86,000; working drawings \$105,000; project administration \$719,000; agency retained \$321,000; and construction \$2,705,000 (\$2,528,000 contract, \$177,000 contingency)
\$544,000	proposed augmentation: construction \$544,000 (\$508,000 contract, \$36,000 contingency)

#### CEQA

A Notice of Determination was filed on August 3, 1999, and the waiting period expired on September 2, 1999.

#### Project Schedule:

**The project schedule is as follows:**

Start Construction:	June 2006
Complete Construction:	March 2007

**Staff Recommendation:     Approve augmentation**

## CONSENT ITEM

### CONSENT ITEM – 12

**DEPARTMENT OF CORRECTIONS AND REHABILITATION (5225)  
CALIFORNIA REHABILITATION CENTER, NORCO, REPLACE MEN'S DORMS  
RIVERSIDE COUNTY**

*Authority: Chapter 324, Statutes of 1998, Item 5240-301-0001 (27.1)  
Chapter 52, Statutes of 2000, Item 5240-301-0001 (32)*

- a. Recognize scope change
- b. Redirection within existing authority
- c. Revert project savings \$99,000

**APPROVED 3/0**

## CONSENT ITEM

### STAFF ANALYSIS ITEM – 12

Department of Corrections and Rehabilitation  
California Rehabilitation Center, Norco, Replace Men's Dormitories  
Riverside County

Action Requested

**The requested action will recognize a scope change, redirect within project authority, and revert project savings.**

Scope Description

**This project is not within scope.** This scope change pertains to Phase 0-I of a multi-phase project to replace the existing 28 100-bed men's dormitories with 16 200-bed men's dormitories while ensuring that all inmates are housed throughout the construction period. Phase 0-I includes site work, constructing two dormitories, and completing working drawings for the next phase of work.

The California Rehabilitation Center (CRC) in Norco, California provides open dormitory style housing for Level II inmates. Built as a temporary 1940's Naval Hospital, the dormitories are now 60 years old and do not comply with seismic, fire, and safety code requirements. To address this, the California Department of Corrections and Rehabilitation (CDCR) submitted a Capital Outlay Budget Change Proposal for fiscal year 1998-1999 to replace the existing dormitories with new dormitories.

Budget Acts of 1998 and 2000 (Chapter 324, Statutes of 1998, Item 5240-301-0001(27.1) and Chapter 52, Statutes of 2000, Item 5240-301-0001(32)) appropriated \$2,539,000 and \$6,356,000, respectively, from the General Fund for preliminary plans (\$1,033,000), working drawings Phases 0, I, and II (\$613,000), and construction Phases 0 and I (\$7,249,000).

The project was to be constructed in a series of phases to ensure that a minimum number of beds would be vacated at any one time. As a result of Proposition 36, the Substance Abuse and Crime Prevention Act approved by California voters in 2000, however, the project was put on hold in the fall of 2003 because the CDCR anticipated lower level population numbers. The downturn never materialized; in fact, inmate population has increased statewide.

The CDCR is now requesting a scope change to Phases 0 and I construction to reduce the original scope of work from the construction of two dormitories to construction of one dormitory and to move the construction of the remaining dormitory into Phase II construction. The scope reduction is necessary because the appropriated construction funds are insufficient to cover the rise in material and other associated project costs. Funds to complete Phase II construction and all subsequent phases of the project will be requested in the future through the normal budget process.

Phase 0 construction work is complete, which included construction of a sallyport, lay down areas, construction offices, fabrication yard, storage, security fencing, and a new access road. Phase I construction site work is 40 percent complete, including rerouting of the high-voltage underground distribution system, over-excavation and disposal of granite rock, and construction of a retaining wall.

Phase I construction work was only 25 percent complete when activities were halted in October 2003 and numerous purchase orders and contracts were cancelled or put on hold. As a result of the two-year delay, the CDCR is unable to construct the two dormitories within its proposed budget for the following reasons: (1) the site work undertaken to remove solid granite rock was extensive, resulting in an unanticipated project cost of over \$800,000 before construction was stopped in 2003; and (2) additional project costs of approximately \$225,000 will be incurred to remobilize the project. Specifically, heavy equipment, connex boxes, and tools need to be transported to the site; construction offices set up; and casual labor hired. Finally, material costs have climbed since the project was originally proposed. Price escalation associated with the cost of construction materials such as rebar, steel, lumber and conduit has increased the cost of the project by \$1.7 million.

The CDCR is proposing to reduce the scope of Phase 0 and Phase I construction for a savings of \$254,000. The CDCR is also proposing to redirect a portion of the savings (\$155,000) to complete architectural and engineering services and other activities associated with the scope change and revert the remaining funds (\$99,000).

Relative to the redirection, these funds will be used to provide a new phasing plan; an update of the project specifications to include current standards and products; and completion of due diligence activities for the entire project.

On May 3, 2006 the Department of Finance notified the chairs of the Joint Legislative Budget, the Senate Appropriations, and Assembly Appropriations Committees of its intent to recognize this scope change at the June 12, 2006 SPWB meeting.

### Funding and Cost Verification

**This project is within cost.** Recognize a net saving in construction (Phase I, \$254,000); an increase in working drawings (Phase II, \$155,000) and a reversion in construction (Phase I \$99,000). An increase to the working drawings phase is necessary to fund additional architectural and engineering (A/E) services (\$76,000) and other project costs (\$79,000) totaling \$155,000. The total funding allocated for Phase II working drawings is \$119,000, and the estimated cost to complete Phase II working drawings is \$274,000. Design work will include A/E services required to address the implications of adding a new dormitory to Phase II construction, to identify a new phasing plan to address construction accessibility issues; to update the project specifications to include today's standards and products, and to complete Due Diligence activities for the entire project. The construction cost estimate for Phase II and the remaining phases will also be revised and updated. Relative to construction (Phase I), this request will result in a budgetary reduction.

\$78,604,000 total estimated project costs

\$8,974,000 project costs previously allocated: preliminary plans \$1,033,000 total project; working drawings \$692,000 Phases 0, I & II; and construction \$7,249,000 Phase 0 & I (contracts \$6,062,000, contingency \$440,000, A/E \$282,000, agency retained \$271,000, and other project costs \$194,000)

\$69,729,000 project costs to be allocated: working drawings Phases III through V \$1,219,000; construction Phases II through V \$68,510,000 (contracts \$55,998,000; contingency \$3,988,000; A/E \$3,428,000; agency retained \$2,603,000; and project management \$2,493,000)

\$99,000 pending net reversion: working drawings \$155,000 Phases 0, I & II; and construction -\$254,000 Phase 0 & I (contracts -\$83,000, contingency -\$113,000, A/E -\$154,000, agency retained \$2,000 and other project costs \$94,000)

### CEQA

The Notice of Determination was filed with the State Clearinghouse on August 7, 2000 and the waiting period expired on September 7, 2000, with no public comment.

### Due Diligence:

To be completed as a part of Phase II working drawings

### Project Schedule

**The project schedule is as follows:**

Complete Phase II working drawings:	November 2006
Complete Phase I construction:	July 2007

**Staff Recommendation: Recognize scope change, redirect project authority to Phase II working drawings, and revert project savings**

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**CONSENT ITEM**

**CONSENT ITEM – 13**

**UNIVERSITY OF CALIFORNIA (6440)  
RIVERSIDE CAMPUS STUDENT ACADEMIC SUPPORT SERVICES  
RIVERSIDE COUNTY**

*Authority: Chapters 38 and 39/05, Item 6440-301-6041(6)*

**Approve preliminary plans for this project**

**APPROVED 3/0**

## CONSENT ITEM

### STAFF ANALYSIS ITEM – 13

University of California, Riverside  
Student Academic Support Services  
Riverside County

#### Action requested

**The requested action will approve preliminary plans for this project.**

#### Scope Description

**This project is within scope.** The Student Academic Support Services project will construct a new three-story steel structure with 38,449 assignable square feet (asf) and 55,094 gross square feet (gsf). The facility will house offices for all student support functions including enrollment, registrar, admissions, financial aid, cashier and student special services.

#### Funding and Project Cost Verification

**This project is within cost.**

\$20,572,000 total authorized project costs

\$20,572,000 total estimated project costs

\$750,000 project costs previously allocated: preliminary plans -- \$750,000 (State funds)

\$19,822,000 project costs to be allocated: working drawings -- \$900,000 (State funds);  
construction -- \$18,035,000 (State funds); equipment -- \$887,000 (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:**

Approve working drawings: November 2006  
Complete construction: September 2008

**Staff Recommendation: Approve preliminary plans**

## CONSENT ITEM

### CONSENT ITEM – 14

UNIVERSITY OF CALIFORNIA (6440)  
DAVIS CAMPUS, LIFE SCIENCES ALTERATIONS  
YOLO COUNTY

Authority: Chapter 208/04, Item 6440-302-6041 (1)

- a. Recognize scope change to terminate this project
- b. Approve reversion \$3,174,000

APPROVED 3/0

## CONSENT ITEM

### STAFF ANALYSIS ITEM – 14

University of California  
Davis Campus, Life Sciences Alterations, Phase 2  
Yolo County

Action requested

**The requested action will recognize a scope change to terminate this project and approve the reversion of any unexpended balances.**

Scope Description

**The project is within scope.** The Life Sciences Alterations, Phase 2 project as approved in the 2004 Budget Act was to renovate 9,267 assignable square foot (asf) in Hutchison Hall to provide space for modern wet research laboratories, teaching and laboratory support, academic offices, a student computer laboratory and computer support space. The scope of work included upgrades to fire/life safety systems, accessibility improvements and abatement of hazardous materials.

On April 26, 2006, the Department of Finance notified the chairs of the Joint Legislative Budget, the Senate Appropriations, and Assembly Appropriations Committees of its intent to recognize this scope change after June 12, 2006.

### Funding and Project Cost Verification

**The project is not within cost.** During the design of the project, the amount of asbestos-containing material in the area to be renovated was found to be much more extensive than originally estimated. It was determined that the resulting additional costs would require a significant augmentation of \$1 million to \$1.5 million. Because the project is streamlined, the magnitude of scope reduction required to bring the project within budget is not an option. As a result, the campus has decided to terminate the project

\$3,506,000 total authorized project costs

\$332,000 total estimated project costs

\$332,000 project costs previously allocated: preliminary plans -- \$183,000 and working drawings -- \$149,000 (State funds)

\$3,174,000 project costs to be allocated: construction -- \$3,174,000 (State funds)

\$3,174,000 Proposed Reversion

### CEQA

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

### Due Diligence

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

### Project Schedule

**The project schedule is as follows:**

Complete Construction: N/A

**Staff Recommendation: Recognize scope change and approve reversion of any unexpended funds**

## ACTION ITEM

### ACTION ITEM – 15

#### ITEM PULLED FROM AGENDA

DEPARTMENT OF GENERAL SERVICES (1760)  
DEPARTMENT OF CORRECTIONS AND REHABILITATION (5225)  
FRED C. NELLES YOUTH CORRECTIONAL FACILITY, 74 ACRES OF LAND WITH  
IMPROVEMENTS – WHITTIER BOULEVARD  
CITY OF WHITTIER, COUNTY OF LOS ANGELES  
Surplus Parcel Number SSL 628

Consider determining a sales price of the surplused Fred C. Nelles facility, 74 acres of land located in the City of Whittier.

#### ITEM PULLED FROM AGENDA

**ACTION ITEM**

**STAFF ANALYSIS ITEM – 15**

Department of General Services  
Department of Corrections and Rehabilitation  
Fred C. Nelles Youth Correctional Facility 74 acres of land with improvements on Whittier Blvd.  
City of Whittier, Los Angeles County

To be discussed at the Board Meeting.

**ITEM PULLED FROM AGENDA**

## ACTION ITEM

### ACTION ITEM – 16

**CALIFORNIA COMMUNITY COLLEGES (6870)  
SANTA CLARITA COMMUNITY COLLEGE DISTRICT  
COLLEGE OF THE CANYONS RENOVATION/CONSTRUCTION  
LOS ANGELES COUNTY**

*Authority: Government Code Section 15809; Section 5.03 and 5.11 of the Master Indenture by and between the State Public Works Board and the Treasurer of the State of California dated as of April 1, 1994; and Section 21 of the Facility Lease by and between the State Public Works Board and the Santa Clarita Community College District dated May 1, 1993, and as amended as of April 1, 1999 relating to the 1999 Series A Lease Revenue Refunding Bonds.*

**Approve:**

- 1. The form of and the execution and delivery of the First Amendment to the Site Lease by and between the State Public Works Board and the Santa Clarita Community College District, for the College of the Canyons Renovation/Construction.**
- 2. The form of and the execution and delivery of the Second Amendment to the Facility Lease by and between the State Public Works Board and the Santa Clarita Community College District, for the College of the Canyons Renovation/Construction.**
- 3. The form of and authorize the execution of Certificate of the State Public Works Board of the State of California regarding amendments to the Site Lease and Facility Lease for the Santa Clarita Community College District, College of the Canyons Renovation/Construction.**

**APPROVED 3/0**

## ACTION ITEM

### STAFF ANALYSIS ITEM – 16

California Community Colleges  
1999 Series A, Lease Revenue Refunding Bonds, College of the Canyons  
Renovation/Construction  
Los Angeles County

#### Action Requested

**The requested action will Authorize execution of the First Amendment to the Site Lease by and between the State Public Works Board (“Board”) and the Santa Clarita Community College District (“District”), the Second Amendment to the Facility Lease by and between the Board and the District, and a Certificate from the Board regarding the Amendments to the Facility Lease and Site Lease for the 1999 Series A Lease Revenue Refunding Bonds, College of the Canyons Renovation/Construction.**

#### Background Information

In 1993, the Board issued lease revenue bonds (1993 Series A) to finance and refinance the costs of acquisition, construction and installation of certain buildings, equipment and related improvements for higher education situated on various campuses of the California Community Colleges. The projects involved in this item related to the renovation of and construction of efficiency improvements to four buildings on the campus of the College of the Canyons of the Santa Clarita Community College District. At the time the bonds were issued, the Board entered into a Site Lease and a Facility Lease with the District, more particularly described as follows:

- Remodel of the Learning Resource Center within the Instructional Resource Center Building (I Building);
- Remodel of the old child development space into an Admissions, Records and Counseling Office within the Administration Building (A Building);
- Remodel of classrooms within the Vocational Technology Building (T Building); and
- Second floor remodel within the Classroom Center Building (C Building).

At the time the 1993 Series A bonds were issued, the Board entered into a Site Lease and a Facility Lease with the District. In 1999, the Board issued Lease Revenue Refunding bonds (California Community Colleges) 1999 Series A (Various Community College Projects) to advance refund and defease certain of the Board’s 1993 Series A lease revenue bonds. At the time the 1999 bonds were issued, the Board entered into the First Amendment of the Facility Lease with the District.

The District has informed the Board that the Site and Facility Leases erroneously included a legal description of the entire College of the Canyons campus, a majority of which property is unrelated to the “project” as defined in the Facility Lease and financed by the Board’s bonds. The Board’s Bonds were used to renovate the above noted four buildings. The proposed amendments to the Site and Facility Leases will correct the legal description so that the erroneously included portions of the campus are “released” thus allowing the District to further finance improvements on the released property.

A certificate will be signed by the District and a supporting memorandum is on file from the District that the proposed amendments of the Site and Facility Leases will not have a material adverse impact on the owners of the Bonds and will not result in a material impairment of the security given or intended to be given for the payments of the Bonds. In addition, the District is

certifying that the portion of the real property removed from the Site and Facility Leases is not essential to the proper operation of the Facility and the fair rental value of the remaining Facility will continue to be equal to or greater than the base rental and additional rental currently due under the Facility Lease. A certificate will be issued by the State Treasurer concluding that the removal of this portion of the real property from the Site and Facility Leases will not result in any material impairment of the security given for the payment of the 1999 Series A Bonds. Lastly, the nationally recognized bond counsel firm of Stradling Yocca Carlson & Rauth will provide both the Board and the State Treasurer an opinion concluding that based on these facts, it is reasonable to conclude that the holders of the Bonds are not adversely impacted.

**Staff Recommendation:**      **Approve the Form of and Authorize execution of the First Amendment to the Site Lease, the Second Amendment to the Facility Lease and the Certificate of the Board.**

## OTHER BUSINESS

### OTHER ITEM –

#### Other Business Part I

#### **Adopt a Resolution authorizing the execution of three contracts with Nationally Recognized Bond Counsel firms**

Authorize entering into up to three contracts with Nationally Recognized bond counsel law firms to assist and advise the Board staff on complex financing, real estate, federal tax issues and related matters. The contracts will be up to three years in length and in such amounts as staff deems appropriate beginning June 1, 2006. Due to the specialized nature of the services to be rendered, staff recommends exempting the contracts from Disabled Veteran Business Enterprise requirements. Consent to contract out from Attorney General's Office has been obtained. Modify the Board's March 10, 2006 action relating to bond counsel contract authorization consistent with this action. Based on proposals received in response to a Request for Qualifications, staff recommends awarding contracts to the following firms:

1. Orrick Herrington & Sutcliffe LLP
2. Stradling Yocca Carlson & Rauth
3. Squire Sanders & Dempsey LLP

**APPROVED 3/0**

#### Other Business Part II

Adopt a resolution to rescind Rocel Bettencourt as Assistant Administrative Secretary to the Public Works Board.

**APPROVED 3/0**

Adopt a resolution to add Teresa Bierer as Assistant Administrative Secretary to the Public Works Board

**APPROVED 3/0**

## REPORTABLES

To be presented at meeting.

Respectfully Submitted  
By:

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KAREN FINN  
Administrative Secretary