



## AGENDA WITH ANALYSIS

### STATE PUBLIC WORKS BOARD

Friday, May 12, 2017, at 10:00 a.m. in  
Room 113, State Capitol  
Sacramento, California

- |   |      |    |
|---|------|----|
| I. Roll Call  |      |    |
| II. Approval of minutes from the April 13, 2017 meeting |      |    |
| III. Consent Items                                      | Page | 2  |
| IV. Action Items  | Page | 7  |
| V. Other Business                                       | Page | 16 |
| VI. Reportables   | Page | 16 |

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Pursuant to section 11125 of the Government Code, notice of all Board meetings will be given at least ten days in advance and such notice must include a copy of the agenda. Members of the Public may address the Board prior to it taking action on any matter in the agenda.

This notice and the Board agenda for the current month are available on the Internet at: <http://www.spwb.ca.gov>.

Individuals who need disability-related accommodation, including auxiliary aids for effective participation at this public meeting are invited to make their requests and preferences known to Patrice Coleman at (916) 445-9694 or e-mail to [patrice.coleman@dof.ca.gov](mailto:patrice.coleman@dof.ca.gov), five days prior to the meeting.

## CONSENT ITEMS

### CONSENT ITEM—1

**DEPARTMENT OF FORESTRY AND FIRE PROTECTION (3540)  
CAYUCOS FIRE STATION—REPLACE FACILITY  
SAN LUIS OBISPO COUNTY**

*Authority: Chapter 1, Statutes of 2009, Item 3540-301-0660 (8)  
Chapter 712, Statutes of 2010, Item 3540-492 (6) (8)  
Chapters 21 and 29, Statutes of 2012, Item 3540-490 (5) (8)  
Chapter 25, Statutes of 2014, Item 3540-301-0660 (12)  
Chapter 23, Statutes of 2016, Item 3540-490 (4) (8)  
Chapter 23, Statutes of 2016, Item 3540-490 (6) (12)*

**Consider recognizing a scope change**

## CONSENT ITEMS

### STAFF ANALYSIS—1

Department of Forestry and Fire Protection  
Cayucos Fire Station: Replace Facility  
San Luis Obispo County

Action requested

**If approved, the requested action would recognize a scope change.**

Scope Description

**This project is not within scope.** The approved project scope includes the construction of an approximately 7,100 square foot fire station consisting of an 8-bed barracks/messhall building; 1-engine 2-bay apparatus building with a Battalion Chief office; generator/pump/storage building with emergency generator and transfer switch, and a Self-Contained Breathing Apparatus (SCBA) refill and repair building to replace the current fire station that was constructed in 1964. This project also includes: the replacement/upgrade of underground utilities and/or connections (water, sewer, electric, gas, telephone/radio); fueling facility; security system; a vehicle wash pad and a hose wash rack; and demolition and removal of existing buildings on the project site. Additional site work includes grading, paving, and installing curbs, walkways, gutters, drainage, landscaping, retaining walls, fencing, entrance gate, and all associated appurtenances.

The Department of Forestry and Fire Protection requests to remove the SCBA refill and repair building from the project scope, decreasing the size of the project by approximately 400 sf or 5.6 percent, in an effort to create efficiencies as the department develops a comprehensive statewide approach for the SCBA program. The removal of the SCBA building is estimated to provide \$200,000 in project savings.

On April 21, 2017, the Department of Finance notified the chairs of the Joint Legislative Budget, the Senate Appropriations, and Assembly Appropriations Committees of its intent to approve a scope change for this project and to recommend the Board recognize the scope change no sooner than 20 days from that date.

Funding and Cost Verification

**This project is within cost.** Chapter 1, Statutes of 2009, Item 3540-301-0660 (8), as reappropriated by the Budget Acts of 2010, 2012, and 2016, appropriated \$9,678,000 for preliminary plans, working drawings, and construction phases of this project, and Chapter 25, Statutes of 2014, Item 3540-301-0660 (12), as reappropriated by the Budget Act of 2016, appropriated an additional \$1,341,000 for construction.

\$11,019,000	Total authorized project costs
\$10,820,000	Total estimated project costs
\$ 777,000	Project costs previously allocated: \$777,000 preliminary plans
\$10,043,000	Project costs to be allocated: \$668,000 working drawings and \$9,375,000 construction (\$7,865,000 contracts, \$393,000 contingency, \$593,000 A&E, \$524,000 other project costs)
\$ 199,000	Estimated project savings

CEQA

A Notice of Determination was filed with the State Clearinghouse on August 9, 2012, and the 30-day statute of limitations expired without challenge.

Real Estate Due Diligence

A Summary of Conditions Letter for this project was completed on June 27, 2016, and no issues that would adversely affect the beneficial use and quiet enjoyment of the property were identified.

Project Schedule

Approve preliminary plans	May 2017
Complete working drawings	August 2018
Start construction	January 2019
Complete construction	March 2020

**Staff Recommendation: Recognize a scope change.**

## CONSENT ITEMS

### CONSENT ITEM—2

DEPARTMENT OF CORRECTIONS AND REHABILITATION (5225)  
KINGS COUNTY JUVENILE PROJECT  
KINGS COUNTY

Authority: Sections 1970–1978 of the Welfare and Institutions Code

Consider recognizing a scope change

## CONSENT ITEMS

### STAFF ANALYSIS ITEM—2

Department of Corrections and Rehabilitation  
Juvenile Project  
Kings County

#### Action Requested

**If approved, the requested action would recognize a scope change.**

#### Scope Description

**This project is not within scope.** The California Department of Corrections and Rehabilitation on behalf of the County is requesting a scope change to recognize changes that were identified during the preliminary plans phase of the project. During the development of preliminary plans, the county determined that it was necessary to revise the scope to stay within budget; there was also a shift to emphasize rehabilitation over bed capacity.

The current project scope includes new construction for outdoor recreation space, programming space, a day reporting center, a booking and intake building, office space, and a maximum security unit for female wards. The project scope also includes renovation of 88 beds, medical space, a vehicle sally port, outdoor recreation, a warming kitchen, and yard areas.

The revised scope will remove new construction for outdoor recreation space, office space, an intake control room, and the maximum security unit for female wards, and will add new classroom space. In addition, renovation for existing outdoor recreation space, the warming kitchen, and yard areas will be removed, and the number of renovated beds will be reduced from 88 beds to 32 beds.

Furthermore, some bathrooms and showers will be renovated to meet Americans with Disabilities Act standards. Renovations to a housing unit control room will replace the current, outdated control panel with a new control panel, which is essential to operate the opening and closing of doors.

On April 21, 2017, the Department of Finance notified the chairs of the Joint Legislative Budget, the Senate Appropriations, and Assembly Appropriations Committees of its intent to approve a

scope change for this project and to recommend the Board recognize the scope change no sooner than 20 days from that date.

Funding and Project Cost Verification

**This project is within cost.** Section 1973 of the Welfare and Institutions Code appropriates \$300,000,000 lease revenue bond authority to partially finance the construction of local youthful offender rehabilitative facilities. Award of this funding to individual counties is administered through the Board of State and Community Corrections (BSCC). The BSCC has conditionally awarded \$9,600,000 to Kings County for Round 2 from this appropriation. All of the acquisition/study, design costs and any construction costs in addition to these awarded amounts will be paid by Kings County.

On August 10, 2016, the Board took an action establishing the scope, cost, and schedule of this project allocating \$9,600,000 of the \$300,000,000 lease revenue bond financing authority appropriated in section 1973 of the Welfare and Institutions Code to partially finance the design and construction cost of this project. At the time of establishment, the total estimated project cost was \$12,383,000. Subsequent to that action, a new project cost estimate was prepared in association with the completion of preliminary plans and this scope change. Based on this revised estimate, the new total estimated project cost is \$12,383,000.

\$12,383,000	Total authorized project cost
\$12,383,000	Total estimated project cost
\$9,600,000	State costs previously allocated: \$9,600,000 for construction (\$9,586,000 contract and \$14,000 contingency)
\$2,783,000	Local costs previously allocated: \$48,000 for acquisition and study, \$141,000 for preliminary plans, \$692,000 for working drawings and \$1,902,000 for construction (\$705,000 contingency, \$476,000 A&E, \$532,000 other project costs, and \$189,000 agency retained)

CEQA

The Notice of Exemption was filed with the Kings County Clerk on February 2, 2015, and the 35-day statutes of limitations expired without challenge.

Real Estate Due Diligence

A Summary of Conditions Letter for this project is in review, and is anticipated to be completed by May 2017.

Project Schedule

Approve preliminary plans	May 2017
Complete working drawings	July 2017
Start construction	November 2017
Complete construction	February 2019

**Staff Recommendation: Recognize revised project scope.**

## CONSENT ITEMS

### CONSENT ITEM—3

**BOARD OF STATE AND COMMUNITY CORRECTIONS (5227)  
ADULT LOCAL CRIMINAL JUSTICE FACILITIES PROJECT  
SHASTA COUNTY**

*Authority: Sections 15820.92–15820.926 of the Government Code*

**Consider:**

- a) **Recognizing a scope change**
- b) **Authorizing termination of related agreements**

## CONSENT ITEMS

### STAFF ANALYSIS ITEM—3

Board of State and Community Corrections  
Adult Local Criminal Justice Facilities Project  
Shasta County

Action Requested

**If approved, the requested action will recognize a scope change and authorize termination of related agreements.**

Funding and Background

Section 15820.922 of the Government Code (SB 1022) appropriates \$509,060,000 lease revenue bond financing authority to partially finance the design and construction of adult local criminal justice facilities. Award of this funding to individual counties was administered through the Board of State and Community Corrections (BSCC).

On November 14, 2014, the State Public Works Board (Board) established the scope, cost, and schedule of this project, allocating \$20 million of the \$509,060,000 lease revenue bond financing authority appropriated in section 15820.922 of the Government Code to partially finance the design and construction of this project, consistent with the BSCC's conditional award to Shasta County. At the time of establishment, the total estimated project cost was \$21,053,000. On November 18, 2015, the Board approved the preliminary plans for this project.

Subsequent to these actions, the Shasta County Board of Supervisors approved an action on January 24, 2017 to terminate the project, citing ongoing annual administrative costs that were above what were estimated at the time the project was established. On March 6, 2017 the Shasta County Administrative Office submitted a request to relinquish the award and to terminate related agreements with the Board. The BSCC, on behalf of the county, is requesting a scope change to cancel this project and to terminate the related agreements.

**Staff Recommendation: Recognize a scope change and authorize termination of related agreements.**

## ACTION ITEMS

### ACTION ITEM—1

**HIGH SPEED RAIL AUTHORITY (2665)**  
**INITIAL OPERATING SEGMENT, SECTION 1**  
**FRESNO COUNTY**  
APN 385-140-10S  
HSR FB-10-0875

*Authority: Chapter 152, Statutes of 2012, Item 2665-306-0890 (1)*  
*Chapter 152, Statutes of 2012, Item 2665-306-6043 (1)*  
*Chapter 25, Statutes of 2014, Item 2665-306-3228 (1)*  
*Section 39719(b)(2) of the Health and Safety Code*  
*Section 39719.1 of the Health and Safety Code*

**Consider authorizing site selection of one assessor's parcel in full or in part.**

## ACTION ITEMS

### STAFF ANALYSIS ITEM—1

High Speed Rail Authority  
Initial Operating Segment, Section 1  
Fresno County

Action Requested

**If approved, the requested action would authorize site selection of one assessor's parcel in full or in part.**

Scope Description

**This project is within scope.** The Initial Operating Segment, Section 1 (IOS-1) is expected to be approximately 120 miles starting from Madera and extending southward almost to Bakersfield. This initial section includes the realignment of Highway 99 in Fresno, construction of a bridge over the San Joaquin River, several grade separations, two viaducts and the acquisition of approximately 1,600 parcels. The IOS-1 is the first construction phase of the High Speed Train System (HSTS). The HSTS consists of Phase 1, which would provide 520 miles of the HSTS extending from San Francisco to Los Angeles/Anaheim, and Phase 2, which would extend the system to Sacramento and San Diego.

Funding and Cost Verification

**This project is within cost.** Chapter 152, Statutes of 2012, appropriated \$5.850 billion (\$2.609 billion High Speed Passenger Train Fund and \$3.241 billion federal funds) and Chapter 25, Statutes of 2014 provided an additional \$191.4 million Greenhouse Gas Reduction Fund for the IOS-1. In addition, Health and Safety Code section 39719 (b)(2) appropriates 25 percent of the annual proceeds of the Greenhouse Gas Reduction Fund for the Phase 1 Blended System and Health and Safety Code section 39719.1 authorizes repayment of a \$400 million General Fund loan from the Greenhouse Gas Reduction Fund for the Phase 1 Blended System. The IOS-1 is a component of the Phase 1 Blended System.

Background

To date, the Board has site-selected approximately 1,600 parcels comprising approximately 120 miles from Madera to near Bakersfield. This total does not reflect properties associated with right-of-way transfer agreements with local government.

Site selection of parcel 385-140-10S is necessary for a temporary construction easement at the Peach Avenue grade separation.

For this properties, the CEQA and NEPA processes were completed in 2014. Consistent with corridor based projects, minimal real estate due diligence has occurred to date as the alignment determines which properties must be acquired and any abatement or title issues will be resolved during or shortly after acquisition.

**Staff Recommendation:     Authorize site selection of one assessor's parcel in full or in part.**



## ACTION ITEMS

### ACTION ITEM—2

**HIGH SPEED RAIL AUTHORITY (2665)  
INITIAL OPERATING SEGMENT, SECTION 1  
FRESNO, KINGS, TULARE AND KERN COUNTIES**

*Authority: Chapter 152, Statutes of 2012, Item 2665-306-0890 (1)  
Chapter 152, Statutes of 2012, Item 2665-306-6043 (1)  
Chapter 25, Statutes of 2014, Item 2665-306-3228 (1)  
Section 39719(b)(2) of the Health and Safety Code  
Section 39719.1 of the Health and Safety Code  
Section 15854 of the Government Code*

**Consider the adoption of Resolutions of Necessity authorizing the use of eminent domain to acquire the following properties:**

- 1. Angiola Water District—1 Property (Tulare County)  
Authority Parcel Numbers: FB-54-0651-1 and FB-54-0651-2  
Assessor Parcel Number: 313-040-012**
- 2. Angiola Water District—2 Property (Tulare County)  
Authority Parcel Number: FB-54-0660-1  
Assessor Parcel Number: 333-360-001**
- 3. FS Almond Investments Property (Kern County)  
Authority Parcel Numbers: FB-15-0026-1, FB-15-0026-2, and FB-15-0026-3  
Assessor Parcel Numbers: 059-251-13, 059-251-14, and 059-251-15**
- 4. Sharma Property (Kern County)  
Authority Parcel Number: FB-15-0039-1  
Assessor Parcel Number: 047-220-41 (formerly designated as 047-220-03)**
- 5. Premiere Partners Property (Kern County)  
Authority Parcel Numbers: FB-15-0003-1 and FB-15-0003-2  
Assessor Parcel Numbers: 047-110-01, 047-110-02, 047-110-03, 047-120-02,  
047-120-04, 047-120-15, 047-130-07, 047-130-08, 047-130-09, 047-130-10, and  
047-130-11**
- 6. Stuber Property (Kings County)  
Authority Parcel Numbers: FB-16-0243-1, FB-16-0243-2, FB-16-0243-3, FB-16-0243-4,  
FB-16-0243-5, FB-16-0243-7, FB-16-0243-8, FB-16-0243-9, and FB-16-0244-2  
Assessor Parcel Numbers: 028-260-014 and 028-260-031**

7. **Mattos Property (Kings County)**

**Authority Parcel Numbers:** FB-16-0225-1, FB-16-0225-2, FB-16-0225-3, FB-16-0225-4, FB-16-0225-01-01, FB-16-0225-02-01, FB-16-0225-03-01, FB-16-0225-04-01, FB-16-0225-05-01, FB-16-0226-1, FB-16-0226-2, FB-16-0226-01-01, FB-16-0226-02-01, FB-16-0227-1, FB-16-0227-01-01, and FB-16-0227-02-01  
**Assessor Parcel Numbers:** 028-202-003, 028-202-005, and 028-202-030

8. **Panoo Property (Fresno County)**

**Authority Parcel Number:** FB-10-0398-1  
**Assessor Parcel Number:** 042-180-03

## ACTION ITEMS

### STAFF ANALYSIS ITEM—2

High Speed Rail Authority  
Initial Operating Segment, Section 1  
Fresno, Kings, Tulare and Kern Counties

Action Requested

**Adopt eight Resolutions of Necessity authorizing the use of eminent domain to acquire properties totaling approximately 459 acres.**

Scope Description

**This project is within scope.** The Initial Operating Segment, Section 1 (IOS-1) is expected to be approximately 120 miles starting from Madera and extending southward almost to Bakersfield. This initial section includes the realignment of Highway 99 in Fresno and relocation of railroad lines, the construction of bridges over the San Joaquin and Fresno Rivers as well as other waterways, several dozen grade separations, multiple viaducts and trenches, and the acquisition of approximately 1,600 parcels. The IOS-1 is the first construction phase of the High Speed Train System (HSTS). The HSTS consists of Phase 1, which would provide 520 miles of the HSTS extending from San Francisco to Los Angeles/Anaheim, and Phase 2, which would extend the system to Sacramento and San Diego.

Funding and Cost Verification

**This project is within cost.** Chapter 152, Statutes of 2012, appropriated \$5.850 billion (\$2.609 billion High Speed Passenger Train Fund and \$3.241 billion federal funds) and Chapter 25, Statutes of 2014 provided an additional \$191.4 million Greenhouse Gas Reduction Fund for the IOS-1. In addition, Health and Safety Code section 39719 (b)(2) appropriates 25 percent of the annual proceeds of the Greenhouse Gas Reduction Fund for the Phase 1 Blended System and Health and Safety Code section 39719.1 authorizes repayment of a \$400 million General Fund loan from the Greenhouse Gas Reduction Fund for the Phase 1 Blended System. The IOS-1 is a component of the Phase 1 Blended System.

Background

In order to adopt a Resolution of Necessity that is required to initiate the eminent domain proceedings, the Board must consider that the following conditions have been met:

- (A) The public interest and necessity require the project;
- (B) The project is planned or located in the manner that will be most compatible with the greatest public good and the least private injury;
- (C) The property sought to be acquired is necessary for the project; and,
- (D) The offer required by Government Code section 7267.2 has been made to the owner or owners of record.

In 2008 the voters of California approved Proposition 1a, authorizing monies from the High-Speed Passenger Train Bond fund in support of this Project. In 2009 and 2010 the federal government approved funds in support of the portion of this Project extending from San Francisco to Anaheim, and in 2012 and 2014, through Chapter 152, Statutes of 2012 and Chapter 25, Statutes of 2014, the Legislature appropriated funds for the acquisition and design-build phases of the IOS-1 of the Project, extending from Madera to just north of Bakersfield.

The Property Acquisition Law, commencing with section 15850 of the Government Code, authorizes the Board to select and acquire in the name of the State of California (State) with the consent of the State agency concerned, the fee or any lesser right or interest in any real property necessary for any State purpose or function. This law also authorizes the Board to acquire property by condemnation, in the manner provided for in Title 7 (commencing at section 1230.010) of Part 3 of the Code of Civil Procedure.

Each of the properties is within the right of way for IOS-1 and was site selected at previous Board meetings. The site selections took place after an environmental review process where it was determined that any alternative alignment would include the selected parcels, or where a preferred alignment had already been approved by both the High Speed Rail Authority Board and the Federal Railroad Administration. Acquisition of these properties will allow the High Speed Rail Authority to move forward with construction of the HSTS.

Between December 2016 and March 2017, the various owners were provided with a first written offer to purchase the subject property, as required by Government Code section 7267.2. Negotiations to acquire the properties are continuing; however, in order to keep the project on schedule, the adoption of Resolutions of Necessity to authorize the use of eminent domain is required.

On April 17, 2017 and April 24, 2017, Notices of Intent to adopt a Resolution of Necessity were mailed to the respective property owners. These notices were sent in accordance with Code of Civil Procedure section 1245.235.

Property Specific Information:

1. Angiola Water District-1 Property (Tulare County)  
Authority Parcel Numbers: FB-54-0651-1 and FB-54-0651-2  
Assessor Parcel Number: 313-040-012  
Partial Acquisition: Approximately 4.73 acres total (3.70 acres in fee and 1.03 acres in easement)

This property will be needed for the construction of the HSTS between Avenue 56 and Avenue 24

2. Angiola Water District–2 Property (Tulare County)  
Authority Parcel Number: FB-54-0660-1  
Assessor Parcel Number: 333-360-001  
Partial Acquisition: Approximately 0.40 acre in easement

This property will be needed for the construction of the HSTS between Avenue 56 and Avenue 24

3. FS Almond Investments Property (Kern County)  
Authority Parcel Numbers: FB-15-0026-1, FB-15-0026-2, and FB-15-0026-3  
Assessor Parcel Numbers: 059-251-13, 059-251-14, and 059-251-15  
Partial Acquisition: Approximately 7.56 acres in fee

This property will be needed for the construction of the HSTS between Sherwood Avenue and Blankenship Avenue

4. Sharma Property (Kern County)  
Authority Parcel Number: FB-15-0039-1  
Assessor Parcel Number: 047-220-41 (formerly designated as 047-220-03)  
Partial Acquisition: Approximately 0.19 acre in fee

This property will be needed for the construction of the HSTS between Woollomes Avenue and Magnolia Avenue

5. Premiere Partners Property (Kern County)  
Authority Parcel Numbers: FB-15-0003-1 and FB-15-0003-2  
Assessor Parcel Numbers: 047-110-01, 047-110-02, 047-110-03, 047-120-02, 047-120-04, 047-120-15, 047-130-07, 047-130-08, 047-130-09, 047-130-10, and 047-130-11  
Partial Acquisition: Approximately 24.83 acres in fee

This property will be needed for the construction of the HSTS between Scofield Avenue and Garces Highway

6. Stuber Property (Kings County)  
Authority Parcel Numbers: FB-16-0243-1, FB-16-0243-2, FB-16-0243-3, FB-16-0243-4, FB-16-0243-5, FB-16-0243-7, FB-16-0243-8, FB-16-0243-9, and FB-16-0244-2  
Assessor Parcel Numbers: 028-260-014 and 028-260-031  
Partial Acquisition: Approximately 13.42 acres total (12.63 acres in fee and 0.79 acre in easement)

This property will be needed for the construction of the HSTS between Lansing Avenue and State Route 43

7. Mattos Property (Kings County)  
Authority Parcel Numbers: FB-16-0225-1, FB-16-0225-2, FB-16-0225-3, FB-16-0225-4,  
FB-16-0225-01-01, FB-16-0225-02-01, FB-16-0225-03-01, FB-16-0225-04-01,  
FB-16-0225-05-01, FB-16-0226-1, FB-16-0226-2, FB-16-0226-01-01,  
FB-16-0226-02-01, FB-16-0227-1, FB-16-0227-01-01, and FB-16-0227-02-01  
Assessor Parcel Numbers: 028-202-003, 028-202-005, and 028-202-030  
Full Acquisition: Approximately 398.94 acres in fee

This property will be needed for the construction of the Kent Avenue grade separation and for the construction of the HSTS between Kent Avenue and Kansas Avenue

8. Panoo Property (Fresno County)  
Authority Parcel Number: FB-10-0398-1  
Assessor Parcel Number: 042-180-03

Partial Acquisition: Approximately 9.27 acres in fee

This property will be needed for the construction of the E. Nebraska Avenue grade separation.

**Staff Recommendation: Adopt eight Resolutions of Necessity authorizing the use of eminent domain to acquire eight properties totaling approximately 459 acres.**

## ACTION ITEMS

### ACTION ITEM—3

DEPARTMENT OF MOTOR VEHICLES (2740)  
DELANO FIELD OFFICE REPLACEMENT  
KERN COUNTY

*Authority:* Chapter 10, Statutes of 2015, Item 2740-301-0044 (1)  
Chapter 23, Statutes of 2016, Item 2740-301-0044 (1)

Consider approving an augmentation contingent upon the expiration of the Joint  
Legislative Budget Committee review period \$470,000  
(18.8 percent of appropriated funds)

## ACTION ITEMS

### STAFF ANALYSIS—3

Department of Motor Vehicles  
Delano Field Office Replacement  
Kern County

#### Action requested

**If approved, the requested action would approve an augmentation contingent upon the expiration of the Joint Legislative Budget Committee review period.**

#### Scope Description

**The project is within scope.** The project consists of a replacement field office for Department of Motor Vehicles (DMV) in Delano, CA. This single-story building will be approximately 10,718 gsf on a new site of approximately 2.2 acres. The project will also include an attached drive-test canopy, motorcycle testing area, communication systems, and all site improvements necessary to complete the construction of the facility. The project shall be designed to LEED-NC Silver and will also be a Zero Net Energy building.

#### Funding and Cost Verification

**This project is not within cost.** The Budget Acts of 2015 and 2016, appropriated \$2,505,000 for this project. However an augmentation of \$470,000 (18.8 percent) is necessary to acquire the desired parcel. The main driver of the requested augmentation is the desire to enter into a \$287,000 administrative settlement with the owner of the preferred parcel. Other factors include the need for a 15 percent larger parcel to address stormwater retention requirements, an increase in the appraised value since the project was first proposed, and increased costs associated with additional negotiations for the acquisition of this parcel.

While it is not always desirable to pay over market value, as determined by a Department of General Services (DGS) approved appraisal, the search for acceptable property in Delano has taken nearly two years. This process includes researching market data sources; interviewing real estate brokers, property owners, and city and county officials; site visits with

representatives of the DMV; completing site suitability studies; and conducting environmental and title reviews. The desired site met all the requirements for a DMV office, and as a result, DGS, DMV and the Department of Finance (Finance) have concluded that it would be beneficial to enter into an administrative settlement rather than to pursue a second site that was recently placed on the market. Pursuing this second site would take at least eight months with no guarantee that the property would remain available or within the acquisition budget upon completion of the site investigation process. The costs of delay will roughly equal the cost of the administrative settlement, and would require DMV to remain in the existing deficient facility for another eight months, or longer should the state be unable to secure the second site.

DGS also notes that estimated construction phase costs have increased by \$576,000, but it has been directed to work towards bringing the project within costs during design.

On April 27, 2017, the Finance notified the chairs of the Joint Legislative Budget, the Senate Appropriations, and Assembly Appropriations Committees of its intent to approve the augmentation of this project upon completion of the 20-day review period. As the review period extends beyond the date of this meeting, staff recommends that approval of this augmentation be made contingent upon expiration of the legislative review period, without adverse comment.

\$2,505,000	Total authorized project costs
\$12,871,000	Total estimated project costs
\$1,069,000	Project costs previously allocated: \$390,000 acquisition and \$679,000 preliminary plans
\$11,802,000	Project costs to be allocated: \$1,102,000 acquisition, \$9,000 preliminary plans, \$795,000 working drawings, and \$9,896,000 construction (\$7,334,000 contract, \$367,000 contingency, \$848,000 A&E, \$256,000 agency retained, and \$1,091,000 other project costs)
\$470,000	Augmentation requested: acquisition

#### CEQA

CEQA will be completed after the project site is acquired.

#### Real Estate Due Diligence

A Condition of Title Letter shall be completed prior to Acquisition Approval at the State Public Works Board meeting to be held on June 9, 2017.

#### Project Schedule

Approve preliminary plans	November 2018
Approve working drawings	December 2019
Start construction	May 2020
Project completion	September 2021

**Staff Recommendation: Approve an augmentation contingent upon the expiration of the Joint Legislative Budget Committee review period, without adverse comment.**

**OTHER BUSINESS**

**NONE**

**REPORTABLES**

**TO BE PRESENTED AT MEETING**