



# STAFF ANALYSIS

## STATE PUBLIC WORKS BOARD

Friday, November 18, 2022 at 10:00 a.m.

This meeting will take place virtually and can be accessed through the following link or phone numbers\*:

<https://us06web.zoom.us/j/81437621295?pwd=Q2pmRkxXOUJoSEFKZ2pkSnVaQkFCUT09>

Meeting ID: 814 3762 1295

Passcode: %h9Q\$7Vw

Or

Phone: (669) 219 2599\*\*

(669) 900 9128\*\*

(213) 338 8477\*\*

Meeting ID: 814 3762 1295

Passcode: 65448131

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Members of the Board will participate remotely via telephonic or video conference. Members of the public may observe the meeting and address the Board through the Zoom link or the telephone numbers identified above. If using the Zoom platform, please install the Zoom application and enter the virtual conference room prior to the meeting start time. Members of the public may also submit comments in advance of the meeting. If members of the public wish to submit comments, the Board asks members of the public to provide written comments to [Kat.Lee@dof.ca.gov](mailto:Kat.Lee@dof.ca.gov) prior to the meeting. To the extent possible, all written comments will be distributed to the members of the Board prior to the meeting

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 State Public Works Board website. [Please click here to view.](#) The full Board member briefing package is available upon request. Please send an email to [Kat.Lee@dof.ca.gov](mailto:Kat.Lee@dof.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 Kat Lee at (916) 445-9694 or e-mail to [Kat.lee@dof.ca.gov](mailto:Kat.lee@dof.ca.gov) , five days prior to the meeting.

# MINUTES

Consider approving the minutes from the October 14, 2022 meeting.

Staff have reviewed the minutes from the October 14, 2022 meeting and recommend approval.

**Staff Recommendation:**                      **Approve minutes from the October 14, 2022 meeting.**

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## CONSENT CALENDAR A CONSENT ITEM—1

**DEPARTMENT OF FORESTRY AND FIRE PROTECTION (3540)  
BEAR RIVER  
PLACER COUNTY**

*Authority:*     2019 Budget Act, 3540-301-0001 (10)

**Consider authorizing:**

- 1)     Acquisition of real property**
- 2)     Execution of a Property Acquisition Agreement and other such documents as may be required to complete the acquisition**

### **STAFF ANALYSIS ITEM—1**

Department of Forestry and Fire Protection  
Bear River  
Placer County

Action requested

**If approved, the request will authorize the acquisition of real property and the execution of a Property Acquisition Agreement, and other such documents as may be required to complete the acquisition.**

Background

Pacific Gas & Electric Company (PG&E) is the owner of approximately 1,200 acres of forest land in an unincorporated area south of Interstate 80 in an area known as Emigrant Gap, located in both Placer and Nevada Counties (the Property). Under a settlement agreement PG&E entered into as part of a 2003 bankruptcy settlement (Settlement Agreement) and a related stipulation (collectively, Governing Documents), PG&E is required to ensure that approximately 140,000 acres of watershed lands, all owned by PG&E, including the Property, are conserved for a broad range of beneficial public values, including the protection of the natural habitat of fish, wildlife and

plants; the preservation of open space; outdoor recreation by the general public; sustainable forestry; agricultural uses; and historic values. As a result of the Settlement Agreement, PG&E has made the Property available to the state for acquisition for no cash consideration. However, consistent with the conditions in the Governing Documents, the Property will be subject to a perpetual conservation easement (the Conservation Easement) granted to the Placer Land Trust, a California non-profit public benefit corporation, by the state. The Department of Forestry and Fire Protection (CAL FIRE) will utilize the lands as a CAL FIRE Demonstration State Forest.

#### Funding and Cost Verification

**This project is within cost.** A total of \$425,000 was appropriated in the 2019 Budget Act (Ch. 23, Stats. 2021) for the Stewardship Council Lands Acquisition project (of which \$85,000 is for this specific parcel). The Forest Resources Improvement Fund, as described in Section 4799.13 of the Public Resources Code, provides funding for the cost of operations associated with management of lands held in trust by the state and operated as demonstration state forests by CAL FIRE pursuant to Section 4646 of the Public Resources Code. An augmentation request for an additional \$27,000 was approved by the State Public Works Board in October 2022 to complete the acquisition process for three remaining parcels. The Property can be acquired with the funds available. The Property can be acquired with the funds available.

#### CEQA

CAL FIRE filed a Notice of Exemption with the State Clearinghouse on December 22, 2021, and the 35-day statute of limitations expired without challenge.

#### Condition of Property (COP):

The Department of General Services' (DGS) Environmental Services Section staff, on behalf of CAL FIRE, conducted a site visit to the subject property, on behalf of CAL FIRE, in October 2019 and has since updated the COP on January 27, 2022. The Property was acquired by PG&E when they absorbed local utilities, and since then has been used primarily as a buffer around their water infrastructure and for timber production.

Water infrastructure and most building infrastructure within the area will be retained by PG&E; however, one small, gated power station structure is within the Property. Per the donation agreement, PG&E will be responsible for maintaining and tending to the station and the immediate area surrounding it. Additionally, areas around the Property have been used as an informal shooting area for random people visiting the area with informal targets constructed and ammunition shells seen on the ground. However, during the last site visit, PG&E did not see significant evidence of these informal shooting areas. If there are future indications of an informal shooting area, CAL FIRE can implement temporary closures per 14 CCR § 1438 and § 1439 to safeguard forest visitors. These would be noticed to the public, posted in the affected areas, and any violation of these closed areas would be a misdemeanor pursuant to PRC § 4656.3. CAL FIRE does this on an annual basis as a normal course of business to protect the public from timber harvesting activities, an inherently dangerous activity that temporarily conflicts with other forest users. CAL FIRE has found this process adequately manages the risk of forest users entering unsafe areas of the forest.

It is a pristine forest ecosystem without historical or current hydro infrastructure, mining activity, other industrial activity, or human habitation. The risk of environmental hazards is therefore relatively low. Due to the isolated location and difficulty in assessing the land, DGS staff is also confident that the conditions of the site have not changed.

### Environmental Site Assessment (ESA) Phase I

An outside firm, under the direction of DGS, and on behalf of CAL FIRE, completed the Phase I ESA report (Phase I) in October 2021. The Phase I, performed in conformance with the scope and limitations of the American Society for Testing and Materials E 1527-13, Standard Practice for Environmental Site Assessments, found no environmental concerns, and concluded that since the planned use of the property will remain the same, no further testing is recommended at this time.

### Other:

- The Board approved the site selection of the Property on January 7, 2020.
- The power station area will not be a part of the state's acquisition.
- The Property Acquisition Agreement will not include the state's standard indemnification language. As a condition to the state agreeing to accept the Property from the grantor, state will require an agreement requiring the grantor hold state harmless for certain hazardous waste or substance liability.
- As a condition to the grantor agreeing to convey the Property to state, the grantor will require an agreement whereby the state shall grant to grantor certain easements and other rights with respect to the Property for utility facility access, operation, and maintenance.
- Transfer of the Property to CAL FIRE was approved by the California Public Utilities Commission on February 28, 2022.
- The Federal Energy Regulatory Commission (FERC) waiver was approved on April 19, 2022.
- Neither DGS nor CAL FIRE is aware of any lawsuits pending concerning the Property. The Property Acquisition Agreement will require delivery of title free and clear of any mortgages or liens.
- Relocation assistance will not be required.
- The site meets the physical and location requirements of CAL FIRE.
- There are no historical issues and no indication of implied dedications associated with the subject Property.
- The proposed project location is consistent with the state's planning priorities in accordance with Government Code Section 65041 et seq. State ownership of the Property will help ensure the site is protected and limit incompatible development in this area.

### Project Schedule

The anticipated close of escrow is December 2022.

### **Staff Recommendation:**

**Authorize the acquisition of real property and the execution of a Property Acquisition Agreement and other such documents as may be required to complete the acquisition.**

## CONSENT ITEM—2

DEPARTMENT OF FORESTRY AND FIRE PROTECTION (3540)  
BATTLE CREEK  
SHASTA COUNTY

Authority: 2019 Budget Act, 3540-301-0001 (10)

Consider authorizing:

- 1) **Acquisition of real property.**
- 2) **Execution of a Property Acquisition Agreement and other such documents as may be required to complete the acquisition.**

## STAFF ANALYSIS ITEM—2

Department of Forestry and Fire Protection  
Battle Creek  
Shasta County

### Action requested

**If approved, the request will authorize the acquisition of real property and the execution of a Property Acquisition Agreement, and other such documents as may be required to complete the acquisition.**

### Background

Pacific Gas & Electric Company (PG&E) is the owner of approximately 2,300 acres of forest land in the rural communities of Shingletown and Manton, Shasta County, approximately thirty (30) miles east of the city of Redding, CA and south of the intersection of State Route 44 and Grace Resort Road (the Property). Under a settlement agreement PG&E entered into as part of a 2003 bankruptcy settlement (Settlement Agreement) and a related stipulation (collectively, Governing Documents), PG&E is required to ensure that approximately 140,000 acres of watershed lands, all owned by PG&E, including the Property, are conserved for a broad range of beneficial public values, including the protection of the natural habitat of fish, wildlife and plants; the preservation of open space; outdoor recreation by the general public; sustainable forestry; agricultural uses; and historic values. As a result of the Settlement Agreement, PG&E has made the Property available to the state for acquisition for no cash consideration. However, consistent with the conditions in the Governing Documents, the Property will be subject to a perpetual conservation easement (the Conservation Easement) granted to the Western Shasta Resource Conservation District, a California special district, by the state. The Department of Forestry and Fire Protection (CAL FIRE) will utilize the lands as a CAL FIRE Demonstration State Forest.

### Funding and Cost Verification

**This project is not within cost.** A total of \$425,000 was appropriated in the 2019 Budget Act (Ch. 23, Stats. 2021) for the Stewardship Council Lands Acquisition project (of which \$85,000 is for this specific parcel). The Forest Resources Improvement Fund, as described in Section 4799.13 of the Public Resources Code, provides funding for the cost of operations associated with management of lands held in trust by the state and operated as demonstration state forests by CAL FIRE pursuant to Section 4646 of the Public Resources Code. An augmentation request for an additional \$27,000 was approved by the State Public Works Board in October 2022 to complete

the acquisition process for three remaining parcels. The Property can be acquired with the funds available.

#### CEQA

CAL FIRE filed a Notice of Exemption with the State Clearinghouse on January 12, 2022, and the 35-day statute of limitations expired without challenge.

#### Condition of Property (COP):

The Department of General Services' (DGS) Environmental Services Section staff, on behalf of CAL FIRE, conducted a site visit to the subject property in January 2019 and issued an updated COP on March 3, 2022. The Property consists of undeveloped sectionalized land and individual parcels. The Property areas consists of an elevation ranging from approximately 1,300 feet to 2,000 feet above mean sea level. The area Property includes a mixture of ground elevation levels and rolling hills to Battle Creek. The majority of the Property is forested. The few improvements include paved and unpaved roads, trails, and penstocks. The portion of the site with penstocks, intake structures that control the water flow that delivers water to PG&E's hydro turbines, will be restricted access and use areas. PG&E will retain land with existing hydro-electric facilities. The PG&E-retained land includes powerhouses, dams, electric transmission lines, and associated electric generation facilities.

Located on the Property is the Mount Lassen Trout Farm (Trout Farm) located south of State Route 44 adjacent to Millseat Creek. PG&E has leased the area to the Trout Farm for several years. The lease expires within a year. Four older model travel trailers and one modular home are presently located at the Trout Farm. The area of the Trout Farm appears to be clean, well kept, and void of debris. This area will not be acquired by the state.

Located within the Property is a borrow pit/informal shooting area. The informal shooting area appears to be used by random people visiting the area. However, recently, the area was filled with dredge soils from Lake Nora and Lake Grace, making it no longer a desirable location for informal shooting. This area will not be acquired by the state.

Also, observed was a small pioneer graveyard. It was enclosed with fencing. The graveyard is located within the Property area.

Due to the isolated location and difficulty in assessing the land, DGS staff is confident that the conditions of the site have not changed, and no further environmental investigation is recommended.

NOTE: The corridor area will not be acquired by the state. The corridor area will be retained by PG&E for Federal Energy Regulatory Commission's (FERC) compliance requirements and regulations.

#### Phase I Environmental Site Assessment (Phase I):

The Phase I report was completed in April 2020 by an outside firm at the direction of DGS. The Phase I documented the history of the site in context of usage, storage, treatment, and disposal of any hazardous substances and wastes, and evaluated the potential presence of recognized environmental conditions (RECs) as defined by the American Society for Testing and Materials E 1527-13, Standard Practice for Environmental Site Assessments. The report concluded no evidence of RECs were observed on the site and that the planned use of the land will remain the same; no further investigation is warranted. If the planned use of the land is ever planned to be changed to residential, school, daycare, or other "unrestricted" use, then the site soil should be assessed.

Other:

- The Board approved the site selection of the Property on January 7, 2020.
- The Trout Farm and the shooting areas will not be a part of the conveyance to the state; however, the pioneer cemetery will be included in the conveyance. A CAL FIRE specialist, in their Cultural Resource Program, will maintain the pioneer cemetery as a part of their established maintenance program and schedule.
- The Property Acquisition Agreement will not include the state's standard indemnification language. As a condition to the state agreeing to accept the Property from the grantor, the state will require an agreement requiring the grantor hold state harmless for certain hazardous waste or substance liability.
- As a condition to the grantor agreeing to convey the Property to state, the grantor will require an agreement whereby the state shall grant to grantor certain easements and other rights with respect to the Property for utility facility access, operation and maintenance.
- Transfer of the Property to CAL FIRE was approved by the California Public Utilities Commission on June 10, 2022.
- The FERC waiver was approved on June 8, 2022.
- Neither DGS nor CAL FIRE is aware of any lawsuits pending concerning the Property.
- The Property Acquisition Agreement will require delivery of title free and clear of any mortgages or liens.
- Relocation assistance will not be required.
- The site meets the physical and location requirements of CAL FIRE.
- There are no historical issues and no indication of implied dedications associated with the subject Property.
- The proposed project location is consistent with the state's planning priorities in accordance with Government Code Section 65041 et seq. State ownership of the Property will help ensure the site is protected and limit incompatible development in this area.

Project Schedule

The anticipated close of escrow is December 2022.

**Staff Recommendation:**

**Approve the acquisition of real property and the execution of a Property Acquisition Agreement and other such documents as may be required to complete the acquisition.**

# CONSENT CALENDAR B

## CONSENT ITEM—1

JUDICIAL COUNCIL OF CALIFORNIA (0250)  
FOURTH APPELLATE COURT DISTRICT, DIVISION 2  
RIVERSIDE COUNTY

Authority: 2022 Budget Act, 0250-001-0001  
2022 Budget Act, Section 6.00

### Consider authorizing:

- 1) **The acquisition of Real Property through Exercise of an Option to Purchase.**
- 2) **The Executive Director and Deputy Directors to take any and all actions that may be necessary to complete the acquisition, including negotiating the terms of, and executing, a property acquisition agreement and other such documents as may be required to complete the acquisition.**

## STAFF ANALYSIS ITEM—1

Judicial Council of California  
Fourth Appellate Court District, Division 2  
Riverside County

### Action Requested

**If approved, the requested action will authorize the State of California to acquire property through the exercise of an option to purchase, and authorize the Executive or Deputy Director to take any and all actions that may be necessary to complete the acquisition, including negotiating the terms of, and executing, a property acquisition agreement and other such documents as may be required to complete the acquisition.**

### Scope Description

**This project is within scope.** This request will authorize the acquisition of the property located at 3389 12<sup>th</sup> Street in Riverside, California (Property), and supplementary property rights in anticipation of the exercise of an option to purchase pursuant to a building lease dated October 7, 1997. The Property consists of approximately 1.32 acres, a two-story building, ground-level parking lots, and associated landscaping.

### Background

The Department of General Services (DGS) and the County of Riverside (County), for the benefit of the Fourth Appellate Court District, Division Two (Court) entered into a building lease dated October 7, 1997, as amended by that certain First Addendum dated November 1, 1997, (together collectively, the Lease) for the construction by the County and tenancy by the Court of a two-story building consisting of approximately 42,251 square feet (Court Facility). The County built the Court Facility and financed the design and construction through the issuance of bonds. The state's lease payments were the security for the bonds. The Lease provides DGS the option to purchase the Property at the maturity of the bonds for one dollar (\$1.00). As of October 2, 2022, the bonds have matured. The



Lease stipulates the following:

- Purchase Price. In accordance with the Lease, the purchase price on or after the date of the full retirement of the bonds pursuant to payments under the lease, shall be One and No/100 Dollars (\$1.00)
- In accordance with the Lease, state can exercise its option to purchase by giving notice to County no later than sixty (60) days prior to the business day on which it wished to purchase County's right, title, and interest in the Property.
- Escrow. In accordance with the Lease, the terms of escrow for the purchase of the Property shall be on an "as-is basis" and shall otherwise be consistent with the standard form of agreement of purchase and sale as of the date of exercise of the option.

#### Funding and Cost Verification

**This project is within cost.** As of October 2, 2022, the bonds have been paid in full. The only costs associated with exercising the purchase option is one dollar (\$1.00) and the associated staff costs, estimated at \$80,000, to process the purchase. The Property can be acquired with the funds available and to be authorized through Control Section 6.00.

#### CEQA

A Notice of Exemption will be filed by the Judicial Council with the State Clearinghouse upon the Board's authorization to proceed with the purchase option.

#### Condition of Property

The Department of General Services (DGS), Environmental Services Section (ESS) staff conducted a desktop review of the subject property on October 11, 2022. The building was constructed in 1997, when DGS and the County of Riverside entered into the lease.

The subject property is a two-story building in southeastern portion of downtown Riverside that sits adjacent to CA State Route 91, a church, ground-level parking lots, a large parking garage structure, as well as multiple other County and Federal government buildings in the area.

A Preliminary Title Report was pulled on April 22, 2022 and upon Judicial Council's initial review, no issues that would adversely affect the beneficial use and quiet enjoyment of the project were identified.

The Judicial Council of California is in the process of procuring a Phase 1 ESA. This report is expected to be completed sometime in January of 2023. Based on the age of the building (25 years) and the singular use during this time of operation (Appellate Court District), risks of hazardous waste, threats to public safety, and geomorphic dangers appear low and would be revealed in the scheduled technical studies.

Crosby Group performed a seismic evaluation of the building and determined based on review of the construction drawings and site visit that the building meets the Seismic Certificate of Applicable Code. A California licensed Structural Engineer provided a Seismic Certificate dated September 30, 2022.

Therefore, barring any unforeseen findings in the upcoming Phase 1, DGS-ESS staff recommends no further environmental investigation.

Other

- Due diligence for the Property will include an Environmental Site Assessment, Phase I report to identify possible Recognized Environmental Conditions, and to propose any remediation necessary to achieve the necessary performance objective.
- The State of California is exercising the option to purchase by November 30, 2022 and therefore, no appraisal will be performed on the Property.
- Neither DGS nor the Judicial Council are 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.
- Relocation assistance will not be required.
- There are no historical issues and no implied dedications associated with the subject property.
- The Property meets the physical and location requirements of the Judicial Council.
- The proposed project location is consistent with the state's planning priorities in accordance with Section 65041 of the Government Code. State ownership of the Property will help ensure the site is protected and limit incompatible development in this area

Project Schedule

The anticipated close of escrow is January 2023.

**Staff Recommendation:**

**Authorize exercising the option to purchase, and authorize the Executive or Deputy Director to take any and all actions that may be necessary to complete the acquisition, including negotiating the terms of, and executing, a property acquisition agreement and other such documents as may be required to complete the acquisition.**

**CONSENT ITEM—2**

**DEPARTMENT OF STATE HOSPITALS (4440)  
STATEWIDE – ENHANCED TREATMENT UNITS  
SAN LUIS OBISPO COUNTY AND SAN BERNARDINO COUNTY**

*Authority: 2014 Budget Act, 4440-301-0001(1), as reappropriated by 2016 Budget Act  
2015 Budget Act, 4440-301-0001(4), as reappropriated by 2016, 2017, and 2018  
Budget Acts  
2019 Budget Act, 4440-301-0001(2)  
2021 Budget Act, 4440-301-0001(1)*

**Consider recognizing a scope change.**

## STAFF ANALYSIS ITEM—2

Department of State Hospitals  
Statewide – Enhanced Treatment Units  
San Luis Obispo County and San Bernardino County

### Action Requested

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

### Scope Description

**This project is not within scope.** The Department of State Hospitals (DSH), Statewide - Enhanced Treatment Unit (ETU) project will provide enhanced security and treatment for male and female patients with individual rooms and dedicated treatment spaces. The scope of the project includes the conversion of existing patient dorm rooms to individual rooms and therapy spaces, and upgrades to the mechanical, plumbing, and electrical systems. The current authorized project scope includes 39 secured (male only) ETU beds at Atascadero State Hospital (ASH) and 10 secured (female only) ETU beds at Patton State Hospital (PSH).

The Department of State Hospitals (DSH) is requesting a scope change for this project. Due to bed capacity pressures across DSH's system of care resulting from the Stivetti v. Clendenin lawsuit, DSH is unable to complete the remaining portions of the ASH ETU scope. By the end of August 2021, 13 individual patient rooms were constructed and a certificate of occupancy was issued in December 2021. DSH's intention is to pursue the remaining portion of the ASH ETU scope in the future, if Incompetent to Stand Trial bed pressures are alleviated. The PSH ETU scope of this project remains unchanged and the anticipated construction completion date is December 2023.

As a result of this scope change, and pursuant to Control Section 4.90 of the 2022 Budget Act, the Department of Finance will require the return of the unused funding dedicated to the ASH project from the Architectural Revolving Fund to the General Fund, thus recognizing approximately \$4 million in project savings.

On October 28, 2022, the Department of Finance notified the chairs of the Joint Legislative Budget Committee and fiscal committees in each house, of its intent to recommend the Board approve the scope change no sooner than 20 days from that date.

### Funding and Project Cost Verification

**This project is within cost.** The total authorized funding for the DSH Statewide - ETU project is \$22,728,000 which includes authorized construction funding of \$20,795,000. The construction funds include two augmentations totaling \$3,149,000 from the Public Works Board (\$2,651,000 for Atascadero State Hospital in September 2019 and \$498,000 for Patton State Hospital in February 2021).

\$22,728,000 Total authorized project cost

\$18,728,000 Total estimated project cost

\$22,728,000 State costs previously allocated: \$929,000 for preliminary plans, \$1,004,000 for working drawings, and \$20,795,000 for construction (\$10,469,000 contract, \$4,429,000 contingency, \$2,456,000 A/E, \$3,366,000 other project costs, and \$75,000 agency retained)

\$4,000,000 Anticipated project savings: \$4,000,000 for construction

CEQA

Department of General Services filed a Notice of Exemption on October 3, 2016 and the 35-day statute of limitations expired without challenge.

Real Estate Due Diligence

The Department of General Services, on behalf of DSH, completed a Summary of Conditions Letter for this project on September 1, 2016 and no issues that would adversely affect the beneficial use and quiet enjoyment of the project were identified.

Project Schedule

Approve preliminary plans	December 2016
Complete working drawings	March 2018
Start construction (ASH ETU)	September 2018
Start construction (PSH ETU)	February 2020
Complete construction	December 2023

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

**CONSENT ITEM—3**

**DEPARTMENT OF CORRECTIONS AND REHABILITATION (5225)  
CALIFORNIA INSTITUTION FOR MEN — 50-BED MENTAL HEALTH CRISIS FACILITY  
SAN BERNARDINO COUNTY**

*Authority: 2017 Budget Act, 5225-301-0001 (9)  
2018 Budget Act, 5225-301-0001 (8), as reappropriated by the 2022 Budget Act  
2020 Budget Act, 5225-301-0660 (1), as reappropriated by the 2021 Budget Act and as reverted by the 2022 Budget Act  
2022 Budget Act, 5225-301-0660 (1)*

**Consider approving an augmentation contingent upon expiration of the 20-day legislative notification.**

**\$13,059,000  
(10.2 percent of total project appropriations)  
(11.0 percent cumulative)**

## STAFF ANALYSIS ITEM—3

Department of Corrections and Rehabilitation  
California Institution for Men — 50-Bed Mental Health Crisis Facility  
San Bernardino County

### Action Requested

**If approved, the requested action will approve an augmentation contingent upon expiration of the 20-day legislative notification.**

### Scope Description

**This project is within scope.** The scope of this project consists of the design and construction of a new 50-Bed Mental Health Crisis Facility (MHCF) at the California Institution for Men to provide housing, treatment, and office space to allow for patients in a mental health crisis state or patients requiring other levels of licensed mental health care to be treated. This building will provide licensed space that can be operated at either MHCF or Intermediate Care Facility level of care for both male and female patients. The building will be approximately 70,000 square feet to accommodate housing, administration, treatment, and custody services required to support 50 patients.

### Funding and Cost Verification

**This project is not within cost.** The Budget Act of 2017 appropriated \$3,661,000 General Fund for preliminary plans; the Budget Act of 2018 appropriated \$3,441,000 General Fund for working drawings, a portion of which was reappropriated by the 2022 Budget Act; and the Budget Act of 2020 appropriated \$91,032,000 lease revenue bond authority for construction for this project, which was reappropriated by the 2021 Budget Act. The Budget Act of 2022 reverted the original lease revenue construction appropriation of \$91,032,000 and appropriated \$120,576,000 lease revenue bond authority for construction of this project.

On February 12, 2018, the Board approved a scope change to reflect demolition of existing structures and the deletion of perimeter fencing and the guard tower. On September 13, 2019, the Board approved preliminary plans and recognized a scope change to increase the building size from approximately 47,500 sf to 70,000 sf, and recognized a revised project cost. The new estimated total project cost as result of this action was \$97,536,000 with a savings of \$598,000 stemming from preliminary plans. On December 11, 2020, the Board approved an augmentation for working drawings in the amount of \$598,000, for a total project cost of \$98,134,000. On May 14, 2021, the Board approved an augmentation for working drawings in the amount of \$350,000, for a total project cost of \$98,484,000. On July 5, 2022, the Department of Finance approved working drawings and proceed to bid for the project.

In July 2022, the California Department of Corrections and Rehabilitation (CDCR) solicited bids for this project. Bids were received for this project on October 13, 2022 from two companies, with the lowest responsible bid received in the amount of \$109,890,000. The construction contract bid amount is above the current construction contract authority by \$11,327,000 (approximately 11 percent).

The higher than anticipated bid amount is primarily due to the following:

- **Current Labor Market Conditions and Limited Bidder and Subcontractor Participation.** Job openings in the construction industry have increased by approximately 12 percent over the last year, while nonresidential construction employment has only

grown by 4 percent. This has resulted in higher than anticipated labor costs as Contractors are offering higher pay to fill workforce vacancies. Five construction companies initially expressed interest in the project, but only two companies submitted bids. Additionally, due to the significant extent of subcontractor work, a limited number of subcontractors are able to bid a project of this size. Labor market conditions in the construction sector as well as limited bidders and a limited pool of subcontractors contributed to the increased construction costs by approximately 7.2 percent, or \$9,167,000.

- **Higher than estimated construction inflation.** Based on current market conditions, the construction monthly escalation rate is approximately 1 percent per month. This is double the monthly rate of inflation utilized by the state to estimate pre-bid inflation. These higher than average escalation costs added approximately 1.7 percent, or 2,160,000.
- **Proportional increases to other construction costs.** In addition to the construction cost increases identified above, the contingency line-item reflects an increase of approximately \$566,000. The architectural and engineering design, CDCR special consultants, consultant program management, and consultant construction management line-items increased by a total of approximately \$1,166,000 based on increased negotiated consultant rates. These increases amount to 1.3 percent of construction costs.

On October 17, 2022, a revised project cost estimate was prepared in association with increased construction costs. To date, this appropriation has been augmented by \$948,000 (.7 percent of appropriation). The current total estimated project cost for the CIM MHCF project is \$141,087,000. At this time, the CDCR is requesting an augmentation in the amount of \$13,059,000 (11 percent cumulative and 10.2 percent incremental).

On November 2, 2022, the Department of Finance notified the chairs of the Joint Legislative Budget and fiscal committees in each house of its intent to recommend the Board approve the augmentation no sooner than 20 days from that date.

\$128,028,000	Total authorized project costs
\$141,087,000	Total estimated project costs
\$128,028,000	Project costs previously allocated: \$3,063,000 for preliminary plans, \$4,389,000 for working drawings, and \$120,576,000 for construction (\$98,563,000 contract, \$4,928,000 contingency, \$4,964,000 A/E, \$5,857,000 other project costs, and \$6,264,000 agency retained items)
\$ 13,059,000	Augmentation to be allocated: \$13,059,000 for construction (\$11,327,000 contract, \$566,000 contingency, \$449,000 A/E, and \$717,000 other project costs)

### CEQA

A Notice of Determination was filed with the State Clearinghouse on May 8, 2019 and the 30-day statute of limitations expired with several parties challenging the project. These parties are the County of San Bernardino, the City of Chino, the City of Chino Hills, and the Chino

Valley Independent Fire District. On February 24, 2021, the San Bernardino County Superior Court ruled in favor of the petitioners on three of the ten challenges. In response to the Court's decision, CDCR prepared a legally adequate revised Environmental Impact Report in compliance with CEQA. On December 29, 2021, CDCR filed a Motion to Discharge the Writ of Mandate (motion) that was issued in this action. The court granted the motion on June 30, 2022.

Real Estate Due Diligence

The Department of General Services, on behalf of CDCR, completed a Summary of Conditions Letter for this project on June 6, 2019 and no issues that would adversely affect the beneficial use and quiet enjoyment of this project were identified.

Project Schedule

Approve preliminary plans	September 2019
Complete working drawings	July 2022
Start construction	November 2022
Complete construction	February 2025

**Staff Recommendation:**                    **Approve an augmentation contingent upon expiration of the 20-day legislative notification.**

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# **ACTION ITEMS**

## **ACTION ITEM—1**

### **HIGH SPEED RAIL AUTHORITY (2665) CENTRAL VALLEY SEGMENT VARIOUS COUNTIES**

*Authority: 2012 Budget Act, 2665-306-0890 (1), as reappropriated by the 2018 and 2021 Budget Act  
2012 Budget Act, 2665-306-6043 (1), as reappropriated by the 2018 Budget Act  
2014 Budget Act, 2665-306-3228 (1),  
2021 Budget Act, 2665-301-6043 (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 by the High Speed Rail Authority to acquire the following properties for the High Speed Train System:**

- 1. Ewing-McDaniel Property (Fresno County)  
Authority Parcel Number: FB-10-1236-1  
Assessor Parcel Number: None Assigned**
  
- 2. Gonzales Property (Fresno County)  
Authority Parcel Numbers: FB-10-1792-1, FB-10-1792-2, FB-10-1792-3, and  
FB-10-1792-4  
Assessor Parcel Number: 335-090-54**
  
- 3. Hansen Property (Fresno County)  
Authority Parcel Numbers: FB-10-1650-1, FB-10-1795-1, FB-10-1795-2, and  
FB-10-1795-3  
Assessor Parcel Number: 334-310-52**
  
- 4. Hansen Property (Fresno County)  
Authority Parcel Numbers: FB-10-1651-1, FB-10-1794-1, FB-10-1794-2, and  
FB-10-1794-3  
Assessor Parcel Number: 334-310-53**
  
- 5. Tapia Property (Madera County)  
Authority Parcel Numbers: MF-20-1510-1 and MF-20-1511-1  
Assessor Parcel Numbers: 037-111-046 and 037-111-047**
  
- 6. W&B Property (Fresno County)  
Authority Parcel Numbers: MF-10-1802-1 and MF-10-1802-2  
Assessor Parcel Number: 508-020-60S**



# STAFF ANALYSIS ITEM—1

High Speed Rail Authority  
Central Valley Segment  
Various Counties

## Action Requested

**Adopt Resolutions of Necessity authorizing the use of eminent domain by the High Speed Rail Authority to acquire properties for the High Speed Train System.**

## Background

Under California Eminent Domain Law, the Board is the governing body of the High Speed Rail Authority (Authority) for purposes of adopting Resolutions of Necessity that are required for the Authority to initiate eminent domain proceedings. To adopt a Resolution of Necessity 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 or the offer has not been made because the owner cannot be located with reasonable diligence.

The properties are within the right of way for the Central Valley Segment, extending from Madera to Shafter, and are within the preferred alignment as previously approved by both the High Speed Rail Authority Board of Directors and the Federal Railroad Administration. Acquisition of these properties will allow the Authority to move forward with construction of the High Speed Train System (HSTS).

The Authority notified the Board's staff that for Properties 2 through 6, between February 2022 and August 2022, the respective property owners were provided with a first written offer to purchase the subject property, as required by Government Code section 7267.2. The Authority has informed the Board's staff that negotiations to acquire the property are continuing; however, to keep the project on schedule, the adoption of Resolutions of Necessity to authorize the use of eminent domain is required at this time. For Property 1, a formal offer to purchase the Property was not mailed due to inability to locate the owner of record or confirm the identity or any appropriate heirs, descendants, or devisees.

On November 2, 2022, Notices of Intent to adopt a Resolution of Necessity were mailed by Board staff to the owners of Properties 2 through 6. The Notice of Intent for Property 1 was posted at the property boundary. These notices were sent in accordance with Code of Civil Procedure section 1245.235.

## **Property Specific Information:**

### **1. Ewing-McDaniel Property (Fresno County)**

**Authority Parcel Number: FB-10-1236-1**

**Assessor Parcel Number: None Assigned**

Partial Acquisition: Approximately 0.08 acre in fee

The property interests identified by the Authority Parcel Number are needed for the underlying fee for the construction of the High Speed Rail (HSR) corridor at West Pine Avenue and North West Avenue.

### **2. Gonzales Property (Fresno County)**

**Authority Parcel Numbers: FB-10-1792-1, FB-10-1792-2, FB-10-1792-3, and FB-10-1792-4**

**Assessor Parcel Number: 335-090-54**

Partial Acquisition: Approximately 0.85 acre in easement

The property interests identified by the Authority Parcel Numbers are needed for an access easement and three temporary construction easements extending from S. Maple Avenue to the HSR corridor between E. Adams Avenue and E. Sumner Avenue.

### **3. Hansen Property (Fresno County)**

**Authority Parcel Numbers: FB-10-1650-1, FB-10-1795-1, FB-10-1795-2, and FB-10-1795-3**

**Assessor Parcel Number: 334-310-52**

Partial Acquisition: Approximately 0.38 acre in easement

The property interests identified by the Authority Parcel Numbers are needed for one access easement, one utility easement, and two temporary construction easements along the HSR corridor between E. Clayton Avenue and E. Adams Avenue.

### **4. Hansen Property (Fresno County)**

**Authority Parcel Numbers: FB-10-1651-1, FB-10-1794-1, FB-10-1794-2, and FB-10-1794-3**

**Assessor Parcel Number: 334-310-53**

Partial Acquisition: Approximately 1.07 acres in easement

The property interests identified by the Authority Parcel Numbers are needed for one access easement, one utility easement and two temporary construction easements extending from S. Maple Avenue to the HSR corridor between E. Clayton Avenue and E. Adams Avenue.

### **5. Tapia Property (Madera County)**

**Authority Parcel Numbers: MF-20-1510-1 and MF-20-1511-1**

**Assessor Parcel Numbers: 037-111-046 and 037-111-047**

Partial Acquisition: Approximately 0.18 acre in easement

The property interest identified by the Authority Parcel Numbers are needed for two temporary construction easements for construction along the HSR corridor between Ellis Street and Raymond Road.

**6. W&B Property (Fresno County)**

**Authority Parcel Numbers: MF-10-1082-1 and MF-10-1082-2**

**Assessor Parcel Number: 508-020-60S**

Partial Acquisition: Approximately 0.16 acre in easement

The property interest identified by the Authority Parcel Numbers are needed for two temporary construction easements for construction along the relocated N. Golden State Boulevard near W. Barstow Avenue

**Staff Recommendation:**

**Adopt Resolutions of Necessity authorizing the use of eminent domain by the Authority to acquire the above-described properties or interests in properties for the HSTS.**

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**OTHER BUSINESS**

**NONE**

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**GENERAL PUBLIC COMMENT**

# REPORTABLES

## Reportable Items

For the November 18, 2022 Board Meeting

Actions Authorized by Staff from October 4, 2022 through November 7, 2022

As Authorized by Resolution of the Board dated December 13, 2019

Department/Org Code	Project Title	Project Authority	Action	Amount/(Percent)
California Community Colleges (6870)	North Orange County Community College District, Anaheim Campus: Tower First Floor Life/Safety Renovation, Orange County	2021 Budget Act, 6870-301-6041 (1) as reappropriated by the 2022 Budget Act, Control Section 20.00; 2022 Budget Act, 6870-301-6041 (1)	Approve preliminary plans	
California Community Colleges (6870)	Sierra JT. Community College District, Sierra College: Applied Technology Center Modernization, Placer County	2021 Budget Act, 6870-301-6041 (3) as reappropriated by the 2022 Budget Act, Control Section 20.00	Approve preliminary plans	
California Community Colleges (6870)	Ventura County Community College District, Moorpark College: MC – Administration Building Reconstruction, Ventura County	2021 Budget Act, Item 6870-301-6087 (35); 2022 Budget Act, Item 6870-301-6087 (19)	Approve preliminary plans	



Department/Org Code	Project Title	Project Authority	Action	Amount/(Percent)
Department of Corrections and Rehabilitation (5225)	Central California Women's Facility – Health Care Facility Improvement Program, Madera County	Sections 15819.40 (b) and (c) and 15819.401-15819.404 of the Government Code; 2021 Budget Act, 5225-301-0001 (16)	Recognize revised project costs	\$50,986,000 total authorized project costs  Decrease of \$1,067,000
Board of State and Community Corrections (5227)	Adult Local Criminal Justice Facilities Project, El Dorado County	Government Code sections 15820.94 - 15820.948 (SB 844)	Approve performance criteria  Recognize revised project costs	\$26,236,000 total authorized project costs (\$25 million state award) Decrease/increase \$0 local <u>or</u> state costs (transfer within Construction phase)