



# **STAFF ANALYSIS**

## **STATE PUBLIC WORKS BOARD**

*Friday, July 12<sup>th</sup>, 2024, at 10:00 a.m.*

*1021 O St, Suite 3110, Sacramento, California*

**This meeting can also be accessed by the public through the following zoom link or phone number:**

<https://us06web.zoom.us/j/83729448944?pwd=hVueuDPIrMnSaj9eCLYVCs5xEtVDQu.1>

**Meeting ID:** 837 2944 8944

**Passcode:** @Z%YnE6n

**By Phone:** 1 669 219 2599

**Meeting ID:** 837 2944 8944

**Passcode:** 85895105

|              |                        |      |    |
|--------------|------------------------|------|----|
| <b>I.</b>    | Roll Call              |      |    |
| <b>II.</b>   | Bond Items             | Page | 2  |
| <b>III.</b>  | Minutes                | Page | 2  |
| <b>IV.</b>   | Consent Items          | Page | 2  |
| <b>V.</b>    | Action Items           | Page | 9  |
| <b>VI.</b>   | Other Business         | Page | 9  |
| <b>VII.</b>  | General Public Comment | Page | 9  |
| <b>VIII.</b> | Reportables            | Page | 10 |

Members of the Board will attend the meeting at the physical location identified above. The public may observe the meeting and address the Board in person, through the Zoom link, or via the telephone number 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 [Angela.Noland@dof.ca.gov](mailto:Angela.Noland@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 [Angela.Noland@dof.ca.gov](mailto:Angela.Noland@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 Raghda Nassar at (916) 445-9694 or e-mail to [Angela.Noland@dof.ca.gov](mailto:Angela.Noland@dof.ca.gov), five days prior to the meeting.

# **BOND ITEMS**

**NONE**

# **MINUTES**

Consider approving the minutes from the June 14, 2024, meeting.

Staff have reviewed the minutes from the June 14, 2024, meeting and recommend approval.

**Staff Recommendation:**     **Approve minutes from the June 14, 2024, meeting.**

# **CONSENT ITEMS**

## **CONSENT ITEM—1**

**JUDICIAL COUNCIL OF CALIFORNIA (0250)  
NEW SAN LUIS OBISPO COURTHOUSE  
SAN LUIS OBISPO COUNTY**

*Authority:*     2022 Budget Act, 0250-301-0001 (7)

**Consider approving site selection.**

## **STAFF ANALYSIS ITEM—1**

Judicial Council of California  
New San Luis Obispo Courthouse  
San Luis Obispo County

### Action Requested

**If approved, the request would approve site selection.**

### Scope Description

**This project is within scope.** The project provides for the site selection and acquisition of up to approximately 2.5 acres of land for the construction of a new, 12-courtroom courthouse and the construction of a secure parking lot, totaling approximately 145,000 square feet in the city of San Luis Obispo. The primary sites being presented for site selection consideration consist of two parcels, Assessor's Parcel Number (APN) 002-326-021 (Site) and APN 002-326-012 (Parking Lot), totaling 56,495 square feet or 1.3 acres. The city of San Luis Obispo is willing to vacate a portion of Toro Street, Monterey Street, and an alley to provide the necessary building setback from vehicles to the needed footprint for the courthouse. However, if after further investigation the sites are deemed to be unsuitable for the court's needs, the Judicial Council of California (JCC) will submit site selection on another site. The proposed Site is currently owned by the

County of San Luis Obispo and the proposed Parking Lot is owned by Obispo Real Estate, LLC.

#### Funding and Cost Verification

**This project is within cost.** The Budget Act of 2022 appropriated \$29,169,000 General Fund for acquisition. Funding for the performance criteria and design-build phases will be requested in a future budget. The Site and Parking Lot can be acquired with the funds available and in accordance with Legislative intent.

|               |   |
|---------------|---|
| \$29,169,000  | Total authorized project costs  |
| \$291,895,000 | Total estimated project costs   |
| \$29,169,000  | Project costs previously allocated: \$29,169,000 for acquisition  |
| \$262,726,000 | Project costs to be allocated: \$6,605,000 for performance criteria and \$256,121,000 for design-build (\$215,755,000 contract, \$6,473,000 contingency, \$6,735,000 A/E, and \$27,158,000 other project costs) |

#### CEQA

Subsequent to the site selection process and in accordance with the California Environmental Quality Act (Public Resources Code Section 21000-21177) and pursuant to Section 15063 of Title 14 of the California Code of Regulations, JCC, acting in the capacity of Lead Agency, will undertake the preparation of an Initial Study to determine if the proposed project would have a significant environmental impact. This will be submitted with a future acquisition application for the selected sites.

#### Condition of Properties

The Department of General Services (DGS), Environmental Services Section staff conducted a site visit in September 2023 on the two properties. The proposed Site is at the corner of Monterey Street and Toro Street and the proposed Parking Lot is on Toro Street adjacent to the proposed Site. The sites are in the central business district of the City of San Luis Obispo, south of the intersection of Hwy 1 and Hwy 101.

A Phase I Environmental Site Assessment was prepared by Ecotech Resources, Inc., and Biological Resources and Culture Resource Reports were prepared by Montrose Environmental in July 2023 on the proposed Site. Per exception 11 of the Preliminary Title Report, there is a Notice of Potential Existence of Underground Petroleum Hydrocarbons. This notice is most probably a result of the two separate Recognized Environmental Conditions (REC) from past operations conducted at the proposed Site. The first REC is at 1144 Monterey Street the proposed Site which has been under the State Water Resources Control Board (SWRCB) regulatory oversight since 1988 when an accidental release of petroleum fuel occurred and multiple Underground Storage Tanks (UST) were removed. A case was opened by the SWRCB and following the UST removal, contaminated soil was removed, and clean-up remediation was performed. In 2009 SWRCB concluded, based on soil investigation, groundwater monitoring, and cleanup results that there was no significant threat to groundwater resources, human health, and the environment from this Site. A case, however, remains open at 1144 Monterey the proposed Site for verification monitoring and has yet to be demonstrated as

compliant by the County since last tested in 2014. Notification to SWRCB and County Environmental Health Services is required for any change in ownership, planned development, subsurface work, or excavation on the property. The second REC was identified through a review of Sanborn urban historical maps at the southwest corner of the proposed Site at the former 1166 Monterey Street which was occupied by a gasoline service station from at least 1949 to 1981. The property was not identified in any environmental database searches and there is no action by regulatory agencies for this property. The disposition of any UST is unknown. As a result of the Title Report exception and the acknowledgment of the two RECs at the property, JCC shall have an Environmental Phase II Site Investigation performed, including the completion of extensive boring and testing, to determine the condition of the Site soil/water and if and to what extent hydrocarbons are present in the Site soil and water. If the proposed Site is determined to be acceptable, the findings will be submitted with a future site acquisition. Application for the selected Site and the exception will be terminated by the city of San Luis Obispo. If not, after further investigation this Site is deemed to be unsuitable, JCC will submit site selection on another site.

Biological resources are limited to two mature street trees along Monterey Street. No sensitive species occur at the Site. The only biological resource consideration would be limited to birds nesting in street trees during nesting season. There are no other biological resource constraints to consider for Site development.

The existing building on the proposed Site is owned and utilized by the County of San Luis Obispo's Parks and Recreation and County Facilities and Fleet Services. The two-story building was constructed in the 1950s making it older than 50 years and would be required to be evaluated for National Register of Historic Place or California Register of Historic Resources (NRHP/CRHR) eligibility if this Site is selected for the new courthouse. In performance of records searches, historic U.S. Geological Survey (USGS) maps indicated that buildings were present within the block of this Site by 1897 and noted archaeological sites have been identified below the city streets within three blocks of this location. It is, therefore, possible that buried archaeological deposits could be identified during demolition of the existing building or construction of the new courthouse. The proposed Site has moderate to high sensitivity for the presence of archaeological sites. The preparation of an Unanticipated Discovery Plan is recommended to address any archaeological resources unearthed during construction.

The existing home at 969 Toro Street on the proposed Parking Lot is owned by Obispo Real Estate, LLC, and is currently leased. The home was constructed in the 1920's making it older than 50 years and would be required to be evaluated for NRHP/CRHR eligibility if selected for the Parking Lot for the new courthouse. In performance of records searches, historic USGS maps indicated that buildings were present within the block of this Parking Lot by 1897 and noted archaeological sites have been identified below the city streets within three blocks of this location. It is, therefore, possible that buried archaeological deposits could be identified during demolition of the existing home or construction of the proposed Parking Lot. The proposed Parking Lot has moderate to high sensitivity for the presence of archaeological sites. The preparation of an Unanticipated Discovery Plan is recommended to address any archaeological resources unearthed during construction. This residence may also require location assistance because it will be demolished to construct the Parking Lot.

A thorough review of the condition of title and due diligence on the Site and Parking Lot has been conducted, including examination of the Preliminary Title Report prepared by Stewart Title of Glendale (Order No. 1943370), dated February 6, 2023 (Site) and (Order No. 2079597), dated July 6, 2023 (Parking Lot). For the Site Property, three non-standard title exceptions are listed. Two of the exceptions will be clear during the Acquisition Phase. None of the exceptions will prevent the beneficial use and quiet enjoyment of the Property.

The Parking Lot parcel has one non-standard exception (Deed of Trust) that will be cleared on purchase by the recording of the reconveyance. The remaining exceptions will not negatively impact the lease-revenue bond funding. The proposed Site and Parking Lot meet the size, location, and compatibility requirements for a new courthouse and secure parking lot to serve the Superior Court of San Luis Obispo.

JCC is not aware of any lawsuits pending concerning either property.

#### Project Schedule

The anticipated close of escrow is within eighteen months of the Board's action.

**Staff Recommendation:**                      **Approve site selection.**

## **CONSENT ITEM—2**

**JUDICIAL COUNCIL OF CALIFORNIA (0250)  
NO-COST ACQUISITION OF FEE SIMPLE INTEREST  
SHASTA COUNTY**

*Authority: Trial Court Facilities Act of 2002, Chapter 1082, Statutes of 2002,  
commencing with Section 70301 of Government Code, as amended.*

**Consider authorizing acquisition of real property.**

## **STAFF ANALYSIS ITEM—2**

Judicial Council of California  
Shasta County Superior Court Juror Parking Lot  
Shasta County

#### Action Requested

**If approved, the requested action will authorize acquisition of real property.**

#### Background

The Judicial Council previously relinquished its equity interests in the Shasta County Superior Court Justice Center, Main, and Annex Courthouses (Exchanged Court Facilities) to the County of Shasta (County) in exchange for the County's conveyance to the State, with jurisdiction in the Judicial Council, title to the land for the site of the Judicial Council's New Shasta Superior Courthouse. This exchange was memorialized

under a Memorandum of Understanding (Exchange MOU) in 2010 and a Property Acquisition Agreement in 2011. Notwithstanding, the parties retained the Judicial Council's rights to and the County's obligations to provide parking at the Property, commonly known as the Oregon Street Juror Parking Lot, as well as parking at the Exchanged Facilities.

The Property is currently used for juror and staff parking as well as the County's fleet lot. The Property is adjacent to the New Shasta Superior Courthouse and therefore better suited for the court's needs than the Exchanged Court Facilities' location. Now that the court has vacated the Exchanged Court Facilities, the County also intends to conduct an unrelated redevelopment of the Exchanged Court Facilities.

Following the completion of the New Shasta Superior Courthouse, the Judicial Council and County determined it would be mutually beneficial to further exchange ownership of the Property in its entirety for the County's release from its obligations to provide the Judicial Council with parking at any of the facilities. The Judicial Council and County accordingly amended the underlying Exchange MOU in 2023 ("First Amendment to Exchange MOU") to provide for the termination of the County's obligations to provide parking to the Judicial Council at the Exchanged Court Facilities and the Property in exchange for the County's conveyance to the State, with jurisdiction in the Judicial Council, of fee title to the Property. Acquiring fee-simple interest to the Property will guarantee that parking is available for the court's operations at the New Shasta Superior Courthouse now and in the future. The Judicial Council is not aware of any pending or threatened lawsuits concerning the Property.

#### Scope Description

**This project is within scope.** This request will authorize the acquisition of the property located at 1477 Oregon Street, Redding, California (Property). The Property consists of approximately 220 surface parking spaces and associated landscaping on approximately 1.7 acres. The Property is bound by Tehama Street to the north, a rail line to the east, Yuba Street to the south, and Oregon Street to the west. The Property is located across the street from the New Shasta Superior Courthouse, separated by Oregon Street. The Property meets the physical and location requirements of the Shasta County Superior Court and the Judicial Council.

#### Funding and Cost Verification

**This project is within cost.** The consideration for the County's conveyance of fee title to the Property is the termination of the County's contractual obligations to provide parking at the Property as well as the Exchanged Court Facilities. The Judicial Council will not pay any additional or monetary compensation for this exchange. The only expenses associated with consummating this no-cost acquisition are the costs of staff to process the acceptance and the title policy. Relocation assistance will not be required.

#### CEQA

The Judicial Council filed a Notice of Exemption with the State Clearinghouse on August 9, 2023, and the 35-day statute of limitations expired without challenge.

#### Condition of Property

In July 2023, Phase I and II Environmental Site Assessment (ESA) reports for the Property were prepared by Professional Service Industries, Inc (PSI). In August 2023, the Judicial

Council's Environmental Health and Safety Unit reviewed the Phase I & II ESA reports. The Phase I ESA report did not identify evidence of Recognized Environmental Conditions on or near the Property. PSI performed soil boring in support of the Soil-Vapor Sampling and Analyses Report (Phase II ESA). The Soil-Vapor Sampling and Analyses Report (Phase II Report) found various VOCs detected in the samples. The conclusion was that current use as a parking lot poses no environmental threat; however, should any construction or soil disturbance activities occur, a Soil Management Plan and Health & Safety Plan would be recommended to address procedures on handling any environmentally impacted soil. The Property will continue to be used for juror and staff parking areas and there are no plans to disturb the soil. There are no historical resources issues and no implied dedications associated with the Property.

The Judicial Council conducted a thorough review of the condition of title and site, including examination of the Preliminary Title Report prepared by Stewart Title of Glendale (Order No. 1858383), dated February 9, 2024, and no issues that would adversely affect the beneficial use and quiet enjoyment of the property were identified. This Property will not be lease-revenue bond funded or otherwise subject to bonded indebtedness.

Project Schedule

The anticipated close of escrow is within 60 days of PWB approval.

**Staff Recommendation:** **Authorize acquisition of real property.**

**CONSENT ITEM—3**

**DEPARTMENT OF GENERAL SERVICES (7760)  
CALIFORNIA TOWER OFFICE BUILDING  
RIVERSIDE COUNTY**

*Authority: 2024 Budget Act, Control Section 6.00*

**Consider authorizing the exercise of an option to purchase real property pursuant to a lease and negotiation of a Property Acquisition Agreement and any agreements related to the acquisition.**

**STAFF ANALYSIS ITEM—3**

Department of General Services  
California Tower Office Building Acquisition  
Riverside County

Action Requested

**If approved, the requested action will authorize exercise of an option to purchase real property pursuant to a lease and negotiation of a Property Acquisition Agreement and any agreements related to the acquisition.**

### Scope Description

**This project is within scope.** This request will authorize the exercise of an option to purchase the real property pursuant to Riverside/State Building Lease dated April 26, 1994, as amended. This fully-developed 11-story multi-tenant building commonly known as the California Tower consists of approximately 162,000 square feet of office and retail space on approximately 1.2 acres and is located at 3737 Main Street, in the City of Riverside, County of Riverside, State of California (the "Property").

Following the exercise of the option, a purchase agreement and leaseback agreement for the Leaseback Area (described below) will be negotiated. After these agreements have been negotiated, the Department of General Services ("DGS") will authorize the purchase agreement to acquire the Property.

### Background

The Redevelopment Agency of the City of Riverside ("Agency") and DGS entered into the Riverside/State Building Lease, dated as of April 26, 1994, as amended on September 15, 1994; March 14, 1996; March 4, 1998; and February 6, 2003 (the "Amendments"), pursuant to which the Agency leased the Property to DGS (the "Building Lease"). The Agency issued lease revenue bonds to finance renovation of the Property (the "Bonds") and pledged the Building Lease and rental payments for the benefit of the Bonds. DGS and Agency further entered into the Leaseback Agreement dated as of April 26, 1994, as amended by the Amendments (the "Leaseback"), pursuant to which DGS subleased certain building areas to the Agency. The subleased areas were modified by the Amendments and the City of Riverside ("City"), as the successor agency to the Agency, currently subleases approximately 22,500 square feet from the state on the ground floor, which is primarily used for retail sub-tenants (the "Leaseback Area").

The thirty-year Building Lease terminates concurrently with the final bond payment on October 1, 2024, and includes an option to purchase the Property on or after the date of the full retirement of the Bonds with a purchase price of one dollar (\$1). Purchase option terms stipulate that the state provide the City with an option to extend the term of the direct lease (i.e., the Leaseback Area) to the City for up to an additional ten (10) years beyond the expiration of the initial thirty (30) year Leaseback.

### Funding and Cost Verification

**This project is within cost.** Chapter 430, Statutes 1993, Section 9, authorized the Director of General Services to enter into a lease with an option to purchase to consolidate state needs in the City of Riverside.

Control Section 6.00 of the 2024 Budget Act provides one dollar (\$1) in Department of General Services support authority for the purchase of the Property. The Property can be acquired with the funds available and in accordance with legislative intent.

### CEQA

The appropriate CEQA documentation will be completed prior to seeking authorization to execute a property acquisition agreement for the acquisition of the Property.

### Project Schedule

The anticipated close of escrow is January 31, 2025.



### Condition of Property

On June 12, 2024, the DGS Environmental Services Unit staff conducted a site visit to assess the general condition of the Property. Visual inspection of the building incorporated exterior and interior components of the building, including structural elements, common areas and tenant spaces. In general, the property appears to be in good condition and no further investigation is recommended.

### Other:

- DGS is not aware of any lawsuits pending concerning the Property.
- No relocation assistance is required.
- The purchase agreement and related documents that will be negotiated after exercise of the option may require approval of the countywide oversight board in Riverside County formed pursuant to the laws dissolving redevelopment agencies.
- The successor agency to the Agency and the City will be responsible for ensuring compliance with the provisions of the laws dissolving redevelopment agencies.
- The proposed project location is consistent with the state's planning priorities in accordance with the Statewide Environmental Goals and Policy Report (commencing with Section 65041 of the Government Code).

**Staff Recommendation:**     **Authorize exercise of an option to purchase real property pursuant to a lease and negotiation of a Property Acquisition Agreement and any agreements related to the acquisition.**

## **ACTION ITEMS**

**NONE**

## **OTHER BUSINESS**

**NONE**

## **GENERAL PUBLIC COMMENT**

# REPORTABLES

## REPORTABLE ITEMS

For the July 12, 2024, Board Meeting

Actions Authorized by Staff from June 4, 2024, through June 30, 2024

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

| Department/Org Code                   | Project Title/County                                       | Project Authority  | Action                 | Amount/(Percent) |
|---------------------------------------|--|--|------------------------|------------------|
| California Highway Patrol (2720)      | Los Banos: Area Office Replacement<br><br>Merced County    | 2022 Budget Act, 2720-301-0001 (5)<br>2024 Budget Act, 2720-301-0660 (3) | Approve site selection |                  |
| Department of Motor Vehicles (2740)   | El Centro: Field Office Replacement<br><br>Imperial County | 2022 Budget Act, 2740-301-0001 (2)<br>2024 Budget Act, 2740-301-0660 (2) | Approve site selection |                  |
| Department of General Services (7760) | California Tower Office Building<br><br>Riverside County   | 2024 Budget Act, Control Section 6.00                                    | Approve site selection |                  |