

## LETTER TO THE BOARD

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Date: May 8, 2009

To: Robert M. Silverman, Ph.D., Superintendent/President  
Board of Trustees, Victor Valley Community College District

From: Charlie Merrick, Vice President, gkkworks  
Prescilla Dugard, Land Acquisitions Lawyer, Stutz Artiano Shinoff & Holtz

Re: Westside – Workforce Development Center – Due Diligence

We have reviewed the findings of the due diligence report "Report" prepared by gkkworks staff, which is based solely on the documents provided by the District and listed in the attached Report as "Document Review". The Report appears to comply with the level of assessment currently necessary to complete the due diligence required under the Purchase and Sale Agreement for the property identified below which was placed in escrow on February 20, 2009, subject to the following actions recommended which are still outstanding:

1. Approval of Tentative Parcel Map No. 19187;
2. Approval of Final Parcel Map;
3. Approval of Specific Plan Amendment changing 55.0 acres from Regional Commercial to Public/Institutional Overlay and 5.0 acres from Regional Commercial to Neighborhood Commercial within the Main Street and Freeway Corridor Specific Plan.
4. Completion of the Mojave Ground Squirrel (MGS) survey currently underway.

The land in question is currently part of a roughly 155 acre parcel (APN: 3064-571-01) that is being subdivided to create six parcels, one of which will be the 55 acre parcel ("Westside Site") referred to herein.

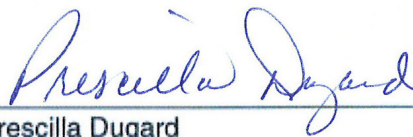
The Westside Site is part of the Hesperia Main Street and Freeway Corridor Specific Plan, adopted in late 2008, and has been the subject of extensive prior studies, including biological and cultural surveys, a Phase I Environmental Assessment and a geotechnical investigation. A Mojave Ground Squirrel (MGS) survey is currently underway and the first of three trapping sessions, completed on March 20, 2009, produced no results. The final trapping session will be completed July 15, 2009.

An updated site-specific geotechnical report, topographic map and ALTA survey of the Site parcel will be prepared prior to the issuance of the design-build RFP for phase I of the WWDC project. The District also shall submit any required information to the Board of Governors, pursuant to Education Code 81031. The scope of this due diligence report is limited for the purposes of the purchase agreement for the Westside Site. Additional research and analysis may be required to satisfy the applicable requirements for any development of the property.

Respectfully submitted,

  
Charlie Merrick, Vice President  
gkkworks

Date 5.8.09

  
Prescilla Dugard  
Stutz Artiano Shinoff & Holtz

Date 5/11/09

## DUE DILIGENCE PROCESS

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Education Code section 81033 (a) requires, that prior to acquiring any site on which it proposes to construct any school building as defined in Section 81130.5, the District shall have the site, or sites, under consideration investigated by competent personnel to ensure that the final site selection is determined by an evaluation of all factors affecting the public interest. The code further states that certain studies are not required to be made if the site or sites under consideration have been subject to adequate prior studies. Factors required to be evaluated include location of the site with respect to population, geological, transportation, water supply, waste disposal facilities, utilities, traffic hazards, surface drainage conditions, and other factors affecting the operating costs.

In our efforts to progress and move forward with the planning process for the Westside Workforce Development Center (WWDC), Victor Valley Community College, in conjunction with Stutz Artiano Shinoff & Holtz, legal counsel and gkkworks Inc., Measure JJ Bond Program Management team, has reviewed available documentation and conducted a series of public meetings to perform the due diligence necessary at this time to determine if the site is adequate for our proposed purpose.

The property ("Site") is located southeast of the intersection of Main Street and Highway 395 in the City of Hesperia. The Site consists of a 55 acre parcel that is currently part of a roughly 155 acre parcel, APN #3064-571-01, also referred to as the "Miller Property". The property is owned by Carl E. Ross living Trust. The property lies within the boundary of the Hesperia Main Street and Freeway Corridor Specific Plan.

The Hesperia Main Street and Freeway Corridor Specific Plan was adopted by the City of Hesperia on October 16, 2008. This specific plan establishes development standards and provides the zoning ordinance for the area. The District's legal counsel, Stutz Artiano Shinoff & Holtz has reviewed a number of documents including the Preliminary Title Report dated June 28, 2005, the Phase I Environmental Assessment dated May 6, 2005, the Geotechnical Investigation Report dated June 28, 2005, the Cultural Resources Survey dated 2006, the Biological Constraints Report dated February 6, 2006, and the Property Report dated October 9, 2006.

Legal counsel has no further recommendations at this time in regards to the Phase I Environmental Assessment, the Cultural Resources Survey, and the Property Report. However, legal counsel had recommended that the Geotechnical Investigation Report be verified as remaining valid with the District's proposed use, pursuant to Education Code Section 81033. Additionally, it was recommended that the District address a number of issues presented in the Biological Constraints Report.

In response to legal counsel recommendations, the District commissioned C.H.J. Incorporated, to address the geotechnical concern; and ECORP Consulting Inc., to address the biological constraints concerns. The C.H.J. report concluded that the 2005 RMA Geotechnical Investigation Report remains valid with respect to Education Code Section 81033. gkkworks concurs and believes that the RMA report meets the criteria of Education Code Section 81033; subdivision (g) of Section 65302 of the Government Code; and the Guidelines for Mitigating Seismic Hazards in California.

## DUE DILIGENCE PROCESS

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The ECORP report concluded that the Site contains several biological resources that pose a “potential constraint to project development.” The most notable being permitting issues associated with the potential presence of the Mojave Ground Squirrel (MGS). In response to this finding, the District initiated a MGS survey (in accordance with the California Department of Fish and Game (CDFG) protocol. The first two MGS trapping sessions has been completed and produced no findings of MGS. The period for session three begins June 15th, 2009. The third session will be completed July 15, 2009.

The ECORP report also recommended the following:

**A plant protection plan for the Joshua trees present on the property** – Pursuant to Section 16.24.150 of Hesperia’s Protected Plant Ordinance, “regulated desert plants....shall not be harvested or removed except under a permit issued by the agricultural commissioner or other applicable reviewing authority.”

**A rare plant survey** – this will be conducted prior to site development. Mitigation measures are expected to be reasonable and readily achievable.

**Jurisdictional wetland delineation and associated permitting** – The Oro Grande Wash is covered extensively in the Hesperia Main Street and Freeway Corridor Specific Plan. This issue will be addressed in more detail during the Site development planning phase.

**Pre-construction survey for nesting bird species** – Nesting birds are protected by California Fish and Game Code Section 3503.5, and the Migratory Bird Treaty Act. Vegetation removal activities will be limited to the bird non-breeding season. This poses a minimal impact to the project.

**Protocol burrowing owl survey** – this will be conducted prior to Site development. Burrowing owls can generally be mitigated by passive relocation at the nest site.

## DUE DILIGENCE PROCESS – DOCUMENT REVIEW

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The following documents were reviewed:

- **Hesperia Main Street and Freeway Corridor Specific Plan Adopted October 16, 2008**  
*Prepared by: The Arroyo Group in consultation with Stanley R. Hoffman Associates, Iteris, Inc., EPT Design and HDR, Inc.*

This specific plan was developed to establish goals and policies for the Main Street and Freeway Corridor Specific Plan area. The goals and policies set forth the framework for realizing the vision for the Specific Plan, serving as guidelines for decision making, and providing direction for the future. The goals and policies were prepared after community input at several public workshops held during the Specific Plan process where property owners, residents and other interested parties identified issues, opportunities and goals for the Specific Plan area. The Specific Plan established eight (8) land use districts. The Site is part of the Main Street/Interstate-15 District, which extends along Interstate-15 from the future interchange at Mojave Street to the planned overpass at Mesa Linda Street approximately two miles to its south.

The current Site zoning is Regional Commercial. A Specific Plan Amendment, changing the Site zoning from Regional Commercial to Public/Institutional Overlay, was approved by the City of Hesperia planning Commission on April 23, 2009. We anticipate City Council approval on May 19, 2009.

- **Preliminary Title Report April 20, 2005**  
*Prepared by: Chicago Title Company*

This report was prepared solely for the purpose of facilitating the issuance of policy of title insurance.

- **Phase I Environmental Site Assessment May 6, 2005**  
*Prepared by: Lewis Operating Corp.*

This report was completed for the Ludwig Property APN's 3064-611-01, 3064-611-03, 3064-571-01 (inclusive of the Site), 3064-541-07 and 3064-581-01 through -05 in the City of Hesperia, San Bernardino County. Based on the findings of the site investigation and with consideration, the firm found no evidence of recognized environmental conditions that would prohibit its intended use as a residential development.

- **Geotechnical Investigation – Draft Report June 28, 2005**  
*Prepared by: RMA Group for Lewis Operating Corp.*

This report was completed to review the general area and assess the property through office research, field exploration, laboratory setting and review of compiled data. The findings concluded that based on the specific data, that the Site is geologically and geotechnically feasible for development of light residential and/or commercial structures.

- **Review of Draft Geotechnical Report February 19, 2009**  
*Prepared by: C.H.J. Incorporated*

This report was commissioned by the District to determine if the RMA Draft Geotechnical Investigation report "provided adequate due diligence for the purchase of" the Site. The report concluded that the RMA report satisfied the requirements of Education Code Section 81033, for the purposes of proceeding with acquisition of the Site.

## DUE DILIGENCE PROCESS – DOCUMENT REVIEW

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The report further concluded that the Site is not within any special studies zones or geologic hazard areas, and therefore does not require detailed

geologic and soils engineering studies prior to Site acquisition. When the location and design of proposed structures are identified, a site-specific geotechnical, engineering geology, and seismic report will be required.

- **Cultural Resources Survey February 2006**

*Prepared by: Statistical Research, Inc. for Lewis Operating Corp.*

The purpose of this archaeological survey is to identify potentially significant cultural resources visible on the ground surface and to assess for the potential for the presence of buried cultural resources. The study was completed following CEQA guidelines. The firm concluded no adverse effects to historical resources are anticipated should the parcel be developed.

- **Biological Constraints Report February 6, 2006**

*Prepared by: PCR Services Corporation*

Based on the results of the literature review and recent field observations conducted by the professional firm, potential constraints to development were identified. A number of studies were recommended in the report to ensure the property is suitable for the planned development.

- **Update to the Biological Constraints Analysis March 9, 2009**

*Prepared by: ECORP Consulting, Inc.*

This report was commissioned by the District to, in part; review the 2006 Biological Constraints Report and review the latest versions of the CDFG *California Native Diversity Data Base* (CNDDDB) and the California Native Plant Society *Electronic Inventory of Rare and Endangered Plants* to determine if any occurrences of listed and/or sensitive wildlife and/or plants species have been reported on the Site or in the vicinity.

- **Property Report October 9, 2006**

*Prepared by: Property I.D.*

This report was prepared solely for the purpose of facilitating the issuance of policy of title insurance.

## **INFRASTRUCTURE**

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### **UTILITIES**

The Site has generally good access to water, sewer, natural gas and electricity. While exact demands and capacities have not yet been determined, our initial investigations suggest that there is adequate capacity in all utilities to service the project.

#### **Water**

The Site is within the service area of the Hesperia Water District. A review of the City of Hesperia Water Master Plan, dated July 30, 2008, indicates the existence of adequate water sources, storage, and distribution. A 12" PVC water line is located to the north of the Site, 23 feet from the center line of Main Street. A 12" concrete encased water line, reducing to an 8" non-encased line, is located on the west side of the Site, outside the property line. A 12" PVC line is located within in Sultana Street within a 20' easement immediately adjacent to the south boundary of the Site.

#### **Natural Gas**

A 6" low pressure natural gas main, owned by Southwest Gas, is located to the north of the Site within an existing right-of way. This could be a primary source of natural gas for the Site. A 4" low pressure natural gas line is located to the east of the Site at Mesa Linda Street. Depending on the ultimate site plan, this could potentially be a closer source of natural gas for the Site.

#### **Electricity**

The area is served by Southern California Edison. There are electrical power poles on the north side of the Site along Main Street. These poles contain both distribution (medium voltage) and transmission (high voltage) lines. Access to power is within a reasonable distance of the Site.

#### **Sewer**

The closest public sewer line is a 10" line in Sultana Street that runs east from Hwy 395 to Interstate 15. A 12" sewer lateral is located in Main Street and terminates at Mesa Linda. Both of these appear to have adequate capacity for connection to the Site. Elevations have not been determined at this time, so it is unclear whether adequate fall exists or whether a sewer lift station would be required. An on-site septic system is also an allowable option. A more detailed analysis will be performed as part of the site planning effort, to determine the most acceptable solution.

#### **Roads**

The Site has excellent access from Hwy 395 and Interstate 15 via the Main Street/Phelan Road intersections. A future traffic signal on Main Street will provide the primary access to the Site. Secondary access will be provided from an east/west that will connect Mesa Linda to the Site. Future access at the south end of the Site is possible through an extension of Sultana Road west from Lassen Road to the eastern property line of the Site.

## **CITY OF HESPERIA**

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As part of the due diligence efforts, Victor Valley Community College representatives have met with the City of Hesperia Redevelopment Agency and City Staff to discuss the College's plans and review the site.

At the Final Staff Review meeting on April 2, 2009, the City informed the District and the current property owner that the plan submitted would be annotated to preclude any access from Hwy 395 to the 55 acre parcel. This restriction does not impact access or limit planning opportunities on the Site.

Another issue discussed at the Staff Review meeting was a concern raised by Southern California Edison that the proposed subdivision may unreasonable interfere with easement rights. This issue will be addressed during the site development process and does not appear to be a significant impact.

On April 23, 2009, the City Planning Commission approved Tentative Parcel Map No. 19187 along with a Specific Plan Amendment to change the 55 acre parcel zoning from Regional Commercial to Public/Institutional Overlay.

The City Council is scheduled to act on the Tentative Tract Map approval and Specific Plan Amendment on May 19, 2009.

## THE STATE PROCESS

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### California Education Code

The California Education Code Article 2, Section 81031-81033 identifies the criteria required for School Sites.

Victor Valley Community College will comply with the California Educational Code for the evaluation of the Workforce Development Training Center.

### California Community College Chancellor's Office

Before the district proceeds with the acquisition of a site for future development of Community College facilities, the Chancellor's Office requests specific information regarding the proposed site including; location, size, and access, seismic concerns, if any, aircraft flight paths and railroad easements affecting the location, future development potential, both of the educational facility and in the surrounding area, restrictions on the use of the parcel, if any, and other information affecting the use of the location as an educational facility such as infra-structure development needed, coastal use restrictions, hazardous materials present, and environmental limitations, such as an adjacent protected species area, that need to be considered .

The Board of Governors has been notified to review and address any concerns.  
[See Exhibit C – Letter to the Board of Governors]

In the future, if State funds are to be used for design and construction of facilities on the site, the information listed below will need to be submitted as part of the Request for Approval submitted to the Board of Governors:

1. An Environmental Impact Report, Negative Declaration or other CEQA report for the site.
2. Five-year (for a center site) or ten-year (for a college site) enrollment projections (Explained later in this chapter),
3. Educational and facility development plans for the new site (Explained later in this chapter).
4. Descriptions of the use, if any, to be made of existing facilities on the site.
5. Discussion of alternatives sites considered and not chosen.
6. Justification for the chosen site.
7. A timely appraisal of the site made by individuals authorized by the Office of Real Estate and Design Services, State Department of General Services.

Under this scenario, information expected in the Letter of Intent and the Request for Approval would most likely be submitted into a single communication or a series of communications that would then be used to develop the Board of Governor's Agenda Item requesting approval of the site while simultaneously supporting an initial project proposal.



## REFERENCES

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**California Education Code**

*Sections 81031-81033*

**California Community Colleges Chancellor's Office**

*Facilities Planning Manual, Part E, Chapter 10 Sections*

**Hesperia Main Street and Freeway Corridor Specific Plan** *Adopted October 16, 2008*

*Prepared by: The Arroyo Group in consultation with Stanley R. Hoffman Associates, Iteris, Inc., EPT Design and HDR, Inc.*

**City of Hesperia Water Master Plan** *July 2008*

*Prepared by: Carollo Engineers*

**Preliminary Title Report** *April 20, 2005*

*Prepared by: Chicago Title Company*

**Phase I Environmental Site Assessment** *May 6, 2005*

*Prepared by: Lewis Operating Corp.*

**Geotechnical Investigation Report** *June 28, 2005*

*Prepared by: RMA Group*

**Review of Draft Geotechnical Report** *February 19, 2009*

*Prepared by: C.H.J. Incorporated*

**Cultural Resources Survey** *February 2006*

*Prepared by: Statistical Research, Inc.*

**Biological Constraints Report** *February 6, 2006*

*Prepared by: PCR Services Corporation*

**Update to the Biological Constraints Analysis** *March 9, 2009*

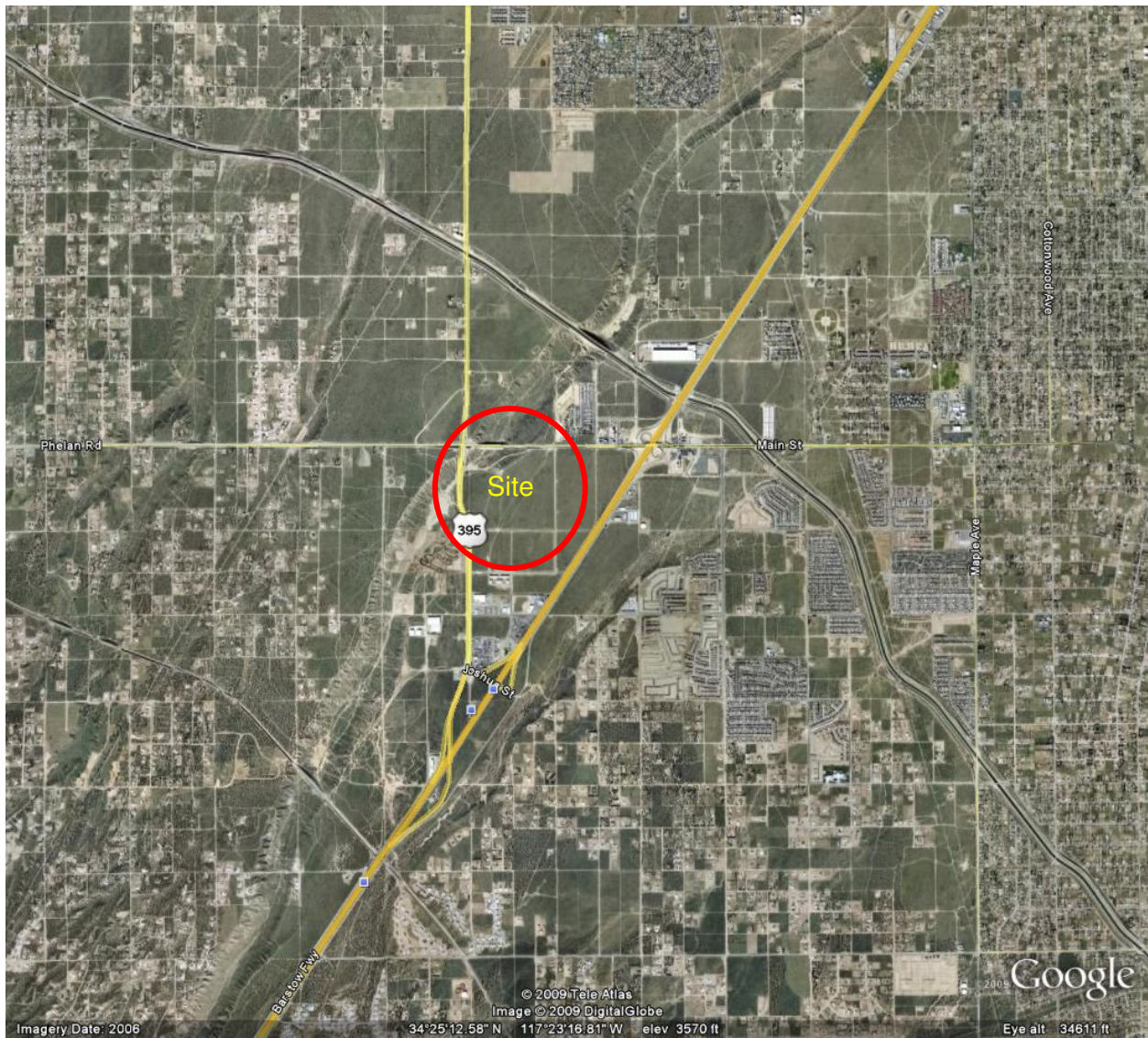
*Prepared by: ECORP Consulting, Inc.*

**Property Report** *October 9, 2006*

*Prepared by: Property I.D.*

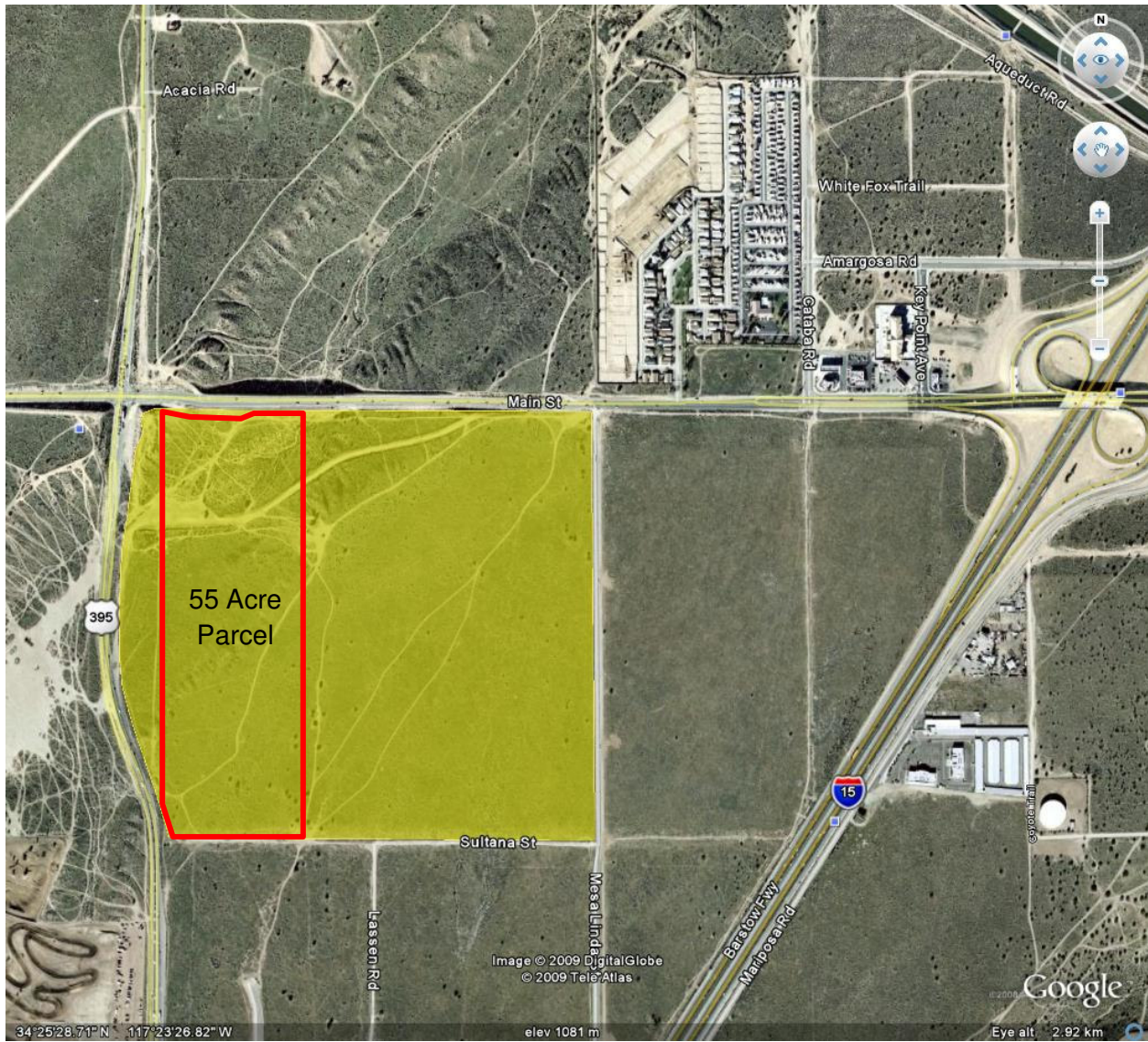
## EXHIBIT A – VICINITY PLAN

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## EXHIBIT B – SITE PLAN



## EXHIBIT C – LETTER TO BOARD OF GOVERNORS

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May 13, 2009

Board of Governors  
In Care Of John Baca, Specialist  
Facilities Planning Unit  
1102 Q Street, 4th Floor  
Sacramento, CA 95811

**Subject: Victor Valley Community College – Westside Workforce Development Center**

Dear Mr. Baca:

Victor Valley Community College District (VVCCD) is in the planning phase to develop the VVCC Workforce Development Center in Hesperia, California. The proposed location for the training facility is at the intersection of Main Street (Phalen Road) and Highway 395, and comprises a 55 acre parcel (Site) which is presently part of a larger 155 acre parcel (APN #3064-571-01). The 155 acre parcel is in the process of being subdivided and re-zoned, and we anticipate a Final Map will be approved by the end of May 2009. The Site is approximately ten (10) miles southwest of Victor Valley Community College and is easily accessible from Interstate 15 and Highway 395.

In November 2008, the District passed Bond Measure JJ: Victor Valley College Public Safety, Health Care Job Training Measure *“to improve education, prepare students for well-paying jobs and university transfer and qualify for State matching funds”*. The District is proposing to utilize funds from Measure JJ for the site acquisition and the development of the Workforce Development Training Facility.

Initial assessments of the Site have revealed no seismic concerns, airports and railroad easements affecting the location. The City of Hesperia and adopted the Main Street and Freeway Corridor Specific Plan in October 2008 which is inclusive of the proposed Site. On April 23, 2009 the City of Hesperia Planning Commission approved a Tentative Parcel Map No. 19187 (creating the subject Site parcel) along with a change in zoning for the subject Site (Parcel 1) from Regional Commercial to Public/Institutional Overlay within the Main Street and Freeway Corridor Specific Plan.

Pursuant to Education Code section 81033, the District has had the Site investigated by competent personnel to ensure that the final site selection is determined by an evaluation of all factors affecting the public interest. Enclosed is a copy of the Westside Due Diligence report that describes the efforts taken by the District to evaluate the Site. It is our intent to work with you to answer any questions you may have regarding any issue related to the proposed training facility.

I look forward to working with you. If you need additional information or have any questions please do not hesitate to contact me.

Sincerely,

Robert M. Silverman, Ph.D.  
Superintendent/President  
Victor Valley Community College

cc: Al McQuilkin, gkkworks - Measure JJ Bond Program Manager