



STAFF ANALYSIS

STATE PUBLIC WORKS BOARD

*Friday, March 13, 2020 at 10:00 a.m. in
Room 113, State Capitol, Sacramento, California*

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

This notice and the Board agenda for the current month are available on the 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.

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, five days prior to the meeting.

BOND ITEMS

BOND ITEM—1

JUDICIAL COUNCIL (0250)

DEPARTMENT OF CORRECTIONS AND REHABILITATION (5225)

2020 SERIES A, LEASE REVENUE REFUNDING BONDS

VARIOUS CAPITAL PROJECTS (FEDERALLY TAXABLE BONDS)

VARIOUS PROJECTS:

Series 2011 D – Judicial Council

1. Mid-County Courthouse (Riverside County)
2. Porterville Courthouse
3. San Bernardino Courthouse

Series 2012 A – Department of Corrections and Rehabilitation and Judicial Council

1. California Health Care Facility, Stockton
2. Salinas Valley State Prison Enhanced Outpatient Program Treatment and Office Space
3. Madera Courthouse

Series 2013 A – Judicial Council

1. Hanford Courthouse
2. Santa Clara Family Justice Center

Consider adoption of a resolution to:

1. **Authorize the sale of lease revenue refunding bonds to refund the Board's lease revenue bonds 2011 Series D, 2012 Series A, and 2013 Series A in accordance with the Board's refunding policy.**
2. **Approve the form of and authorize the execution of various documents in connection with the sale of said revenue bonds including a Supplemental Indenture to the Master Indenture, amended leases for the sites and facilities, Escrow Agreements, a Continuing Disclosure Agreement, and a Bond Purchase Contract.**
3. **Authorize a written request of the Board pursuant to the Master Indenture for the release of excess funds in the Master Indenture Reserve Fund.**
4. **Approve the form of and authorize the release of a Preliminary Official Statement and authorize the preparation and delivery of an Official Statement.**
5. **Approve and authorize other related actions in connection with the authorization, issuance, sale, and delivery of said revenue bonds and to otherwise effectuate the purpose of the resolution.**

The following are the currently outstanding par amounts of the bonds to be refunded by the 2020 Series A Lease Revenue Refunding Bonds:

<u>Bond Series</u>	<u>Currently Outstanding Par Amount</u>
2011 D Bonds	\$377,450,000
2012 A Bonds	\$763,085,000
2013 A Bonds	\$302,405,000

STAFF ANALYSIS ITEM—1

Judicial Council (0250)
Department of Corrections (5225)
2020 Series A, Lease Revenue Refunding Bonds
Various Capital Projects (Federally Taxable Bonds)

Action Requested

If approved, the requested action would authorize the sale of the 2020 Series A lease revenue refunding bonds, the release of excess funds from the Master Indenture Reserve Fund, and other related actions in connection with the issuance, sale, and delivery of the bonds, including approving the forms of and authorizing the execution of a supplemental indenture to the Master Indenture, amended leases for the sites and facilities, Escrow Agreements, a Continuing Disclosure Agreement, a Bond Purchase Contract, and approving the form of and authorizing the delivery of a Preliminary Official Statement, and authorizing the preparation and delivery of an Official Statement.

Description of the Refunding

Under Government Code section 15840, the Board is authorized to issue refunding bonds to refund any of its outstanding bonds. Additionally under the Board's refunding policy refunding bonds may be issued when (i) the refunding generates positive net present value savings equal to at least 3 percent of the par amount of bonds refunded, or (ii) whether or not the issuance results in overall debt service savings if the Board determines in the resolution authorizing the issuance of the refunding bonds that such refunding will produce benefits to the Board's bond program apart from debt service savings.

The 2020 Series A bonds, which have an estimated par amount of approximately \$1.443 billion, will advance refund on a taxable basis the Board's 2011 Series D, 2012 Series A, and 2013 Series A bonds and achieve an anticipated net present value savings of approximately \$170 million, which is approximately 11.8 percent of the par amount of the refunded bonds.

If this action is approved, the 2020 A Bonds will provide funds that will be used, together with other lawfully available moneys, (i) to establish irrevocable escrows to refund and defease all of the following Board's outstanding bonds: 2011 Series D, 2012 Series A, and 2013 Series A and (ii) to pay the costs of issuance of the 2020 A Bonds.

The 2020 Series A bonds will be sold through a negotiated sale upon the terms and conditions set forth in the Bond Purchase Contract.

Refunded Projects:

(0250) Hanford Courthouse (Judicial Council): The Hanford Courthouse is located on approximately 9 acres of state-owned land in the City of Hanford and consists of an approximately 145,000 gross square foot facility, including four stories and a basement, with 10 courtrooms (with an additional 2-courtroom wing, shelled out), surface parking for public and staff, and 14 secured basement level parking spaces. The facility is a steel moment resisting frame on a spread footing reinforced concrete foundation system that is sheathed in a metal stud framing system with plaster veneer, storefront and curtain wall glazing.

The Hanford Courthouse has achieved a Silver LEED rating from the United States Green Building Council. The Hanford Courthouse has been fully operational and occupied since construction was completed in December 2015.

(0250) Porterville Courthouse (Judicial Council): The Porterville Courthouse is located on approximately 8 acres of state-owned land, in the City of Porterville and consists of a 4-story, approximately 97,000 gross square foot facility with 9 courtrooms and parking. The building sits on a seismically reinforced concrete slab footing. The building is a steel structure that is sheathed in glass, colored cement panels, plaster and zinc panels. Steel columns and beams support floors and roof constructed of metal decking filled with concrete.

The Porterville Courthouse has achieved a Silver LEED rating from the United States Green Building Council. The Porterville Courthouse has been fully operational and occupied since construction was completed in November 2013.

(0250) Mid-County Courthouse (Riverside County) (Judicial Council): The Mid-County Courthouse (Riverside County) is located on approximately 5 acres of state-owned land in the City of Banning and consists of a 2-story, approximately 68,000 gross square foot facility with 6 courtrooms and parking. The structural system includes a poured in place basement foundation and walls combined with reinforced concrete masonry unit walls, poured in place shear concrete wall system and steel structure for the upper floors. The exterior materials are limestone precast concrete panels, glass, and a copper dome.

The Mid-County Courthouse (Riverside County) has achieved a Silver LEED rating from the United States Green Building Council. The Mid-County Courthouse (Riverside County) has been fully operational and occupied since construction was completed in March 2015.

(0250) Madera Courthouse (Judicial Council): The Madera Courthouse is located on approximately 3 acres of state-owned land in the County of Madera and consists of an approximately 116,000 gross square foot facility with 10 courtrooms and a separate, on-site, approximately 91,000 gross square foot parking garage. The facility includes 4 stories over a basement with a seismically reinforced concrete slab footing and a steel and concrete structure that is sheathed in granite panels, curtain wall glazing, and zinc panels. Steel columns and beams support floor and roof constructed of metal decking filled with concrete.

The Madera Courthouse has achieved a Silver LEED rating from the United States Green Building Council. The Madera Courthouse has been fully operational and occupied since construction was completed in August 2015.

(0250) San Bernardino Courthouse (Judicial Council): The San Bernardino Courthouse is located on approximately 8 acres of state-owned land in the City of San Bernardino and consists of an approximately 384,000 gross square foot facility with 35 courtrooms, 2 hearing rooms and parking. The facility contains 2 sections (a 3-story section and an 11-story section) over a partial basement/lower level. The structure is comprised of steel moment resistant frames and viscous damping devices on a base isolation system to withstand the site specific ground motions of this seismically active area of California. The building skin is of limestone and precast concrete panels.

The San Bernardino Courthouse has achieved a Gold LEED rating from the United States Green Building Council. The San Bernardino Courthouse has been fully operational and occupied since construction was completed in March 2015.

(0250) Santa Clara Family Justice Center (Judicial Council): The Santa Clara Family Justice Center is located on approximately 2 acres of state-owned land in the City of San Jose and consists of an approximately 234,000 gross square foot facility, including 8 stories over a partial basement, with 20 courtrooms and surface parking. The facility is a steel moment resisting frame on auger cast pile foundation system that is sheathed in a metal stud framing system with pre-cast concrete and windows on the exterior façade.

The Santa Clara Family Justice Center has achieved a Gold LEED rating from the United States Green Building Council. The Santa Clara Family Justice Center has been fully operational and occupied since construction was completed in December 2016.

(5225) California Health Care Facility, Stockton: The California Health Care Facility, Stockton ("CHCF") is located on approximately 170 acres of state-owned land in San Joaquin County. CHCF consists of an approximately 1.2 million gross square foot complex of 37 single story buildings, including various housing units, a central facility shared services treatment building, administration building, main kitchen, central utility plant, main warehouse, plant maintenance shops, and various support buildings. All building foundations are slab-on-grade construction with precast concrete or concrete masonry exterior walls. The interior walls consist of painted concrete/masonry or gypsum board sheathing over light gauge steel stud framing. Inmate-patient rooms include a steel security wall system. Inmate housing includes space for a total of approximately 800 inmates, including Medical-High Acuity, Medical-Low Acuity, Mental Health-Intermediate Care Facility-High Custody, Mental Health-Acute Psychiatric, Mental Health Crisis Bed, and permanent work crew inmates. The facility is enclosed in a secure perimeter that includes a lethal electrified fence, 11 guard towers, and 2 controlled entry points.

The CHCF has achieved a Silver rating for the "Leadership in Energy and Environmental Design" ("LEED") program, as administered by the United States Green Building Council. CHCF has been fully operational and occupied since construction was completed in July 2013.

(5225) Salinas Valley State Prison Enhanced Outpatient Program Treatment and Office Space: The Salinas Valley State Prison ("SVSP") is situated on approximately 340 acres in the City of Soledad. The SVSP began operating in 1996 and houses minimum to maximum security male inmates.

The SVSP Enhanced Outpatient Program Treatment and Office Space (“EOP Treatment and Office Space”) consists of a 2-story, stand-alone building with approximately 27,200 gross square feet for administration, treatment, and custody services supporting mental health treatment for approximately 300 inmate-patients. The foundation is slab-on-grade, and the exterior walls are constructed of concrete masonry unit. Interior walls consist of gypsum board sheathing over light gauge steel stud framing or concrete masonry unit where required for structural or security purposes. The facility also includes parking spaces for staff.

The SVSP EOP Treatment and Office Space has achieved a Gold LEED rating from the United States Green Building Council. The SVSP EOP Treatment and Office Space has been fully operational and occupied since construction was completed in January 2014.

Staff Recommendation: Adopt the resolution.

MINUTES

Consider approving the minutes from the February 14, 2020 meeting.

Staff have prepared and reviewed the minutes from the February 14, 2020 meeting and recommend approval.

Staff Recommendation: Approve minutes from the February 14, 2020 meeting.

CONSENT ITEMS

CONSENT ITEM—1

DEPARTMENT OF CORRECTIONS AND REHABILITATION (5225)
HEALTH CARE FACILITY IMPROVEMENT PROGRAM
STATEWIDE

Authority: Section 28 of Chapter 7, Statutes of 2007

Consider:

1. **Approving augmentation of \$10,275,000 for four Health Care Facility Improvement Program (Program) projects**
2. **Recognizing a scope change for one Program project**

STAFF ANALYSIS ITEM—1

Department of Corrections and Rehabilitation
Health Care Facility Improvement Program
Statewide

Action Requested

If approved, the requested action would approve an augmentation of \$10,275,000 for four Health Care Facilities Improvement Program (Program) projects as shown in Table 1 and recognize a scope change for one Program project.

Scope Description

These projects are not within scope. The Department of Corrections and Rehabilitation (CDCR) has statewide projects to renovate, improve, or expand infrastructure capacity at existing prison facilities. Five projects for the Program are funded from AB 900 General Fund (Section 28 of Chapter 7, Statutes of 2007). The Program projects are part of CDCR's strategy to address statewide prison health care system deficiencies. These projects support health care operations by improving the infrastructure necessary to provide a variety of health care services, including primary care, specialty care, laboratory, pharmacy, health records storage, and related health care administration. CDCR is requesting approval of a scope change for the Program project at Chuckawalla Valley State Prison due to the relocation of the new Health Care Administration building. During the construction phase it was identified that the new building was erroneously sited over the main telecommunication trunk line. CDCR determined that it was more cost effective to relocate the building approximately 39 feet compared to the relocation of the telecommunication trunk line and associated operational impacts.

Funding and Project Cost Verification

These projects are not within cost. Section 28 of Chapter 7, Statutes of 2007 appropriated \$300 million General Fund to renovate, improve, or expand infrastructure capacity at existing prison facilities. These funds may also be used for the design and construction of health care improvements at state prison facilities. Subsequently, the amount authorized in Section 7050(a) of the Penal Code was adjusted by the Budget Acts of 2009, 2010, and 2011, which reverted \$50,246,000 of this appropriation.

To date, this appropriation has been augmented by \$25,511,000 for various projects (8.5 percent cumulative) of which \$9,604,000 was attributed to the five Program projects. At this time, CDCR is requesting an additional augmentation in the amount of \$10,275,000 for four of the five Program projects (11.93 percent cumulative). Table 1 outlines the cost adjustments for each of the four projects. These adjustments stem from increases in project costs that are a result of unforeseen variables that materialized during the construction phase of these Program projects.

Table 1. Cost Adjustments

Program Projects	Cost Increases	Revised Project Cost
Calipatria State Prison – Phase I	\$ 1,248,000	\$ 8,443,000
Centinela State Prison	\$ 3,214,000	\$28,052,000
Chuckawalla Valley State Prison	\$ 3,017,000	\$21,328,000
Ironwood State Prison	\$ 2,796,000	\$18,539,000
Total	\$10,275,000	\$76,362,000

Costs have escalated for a number of reasons, as previously outlined in the Staff Analysis for the April 13, 2018 Board meeting.

On February 21, 2020, 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 allocation of additional authority and recognize the scope change no sooner than 20 days from that date.

Calipatria State Prison, Phase I

\$7,195,000 Total authorized project costs

\$8,443,000 Total estimated project costs

\$7,195,000 Project costs previously allocated: \$870,000 for preliminary plans, \$960,000 for working drawings, and \$5,365,000 for construction (\$3,418,000 contract, \$205,000 contingency, \$298,000 A/E, \$437,000 other project costs, and \$1,007,000 agency retained items)

\$1,248,000 Augmentation to be allocated: decrease of \$81,000 for working drawings and an increase of \$1,329,000 for construction (\$1,011,000 contract, \$61,000 contingency, \$225,000 other project costs, and \$32,000 agency retained items)

Centinela State Prison

\$24,838,000 Total authorized project costs

\$28,052,000 Total estimated project costs

\$24,838,000 Project costs previously allocated: \$856,000 for preliminary plans, \$941,000 for working drawings, and \$23,041,000 for construction (\$17,890,000 contract, \$1,074,000 contingency, \$544,000 A/E, \$820,000 other project costs, and \$2,713,000 agency retained items)

\$3,214,000 Augmentation to be allocated: decrease of \$79,000 for working drawings and an increase of \$3,293,000 for construction (\$2,597,000 contract, \$156,000 contingency, \$115,000 A/E, \$409,000 other project costs, and \$16,000 agency retained items)

Chuckawalla Valley State Prison

\$18,311,000 Total authorized project costs

\$21,328,000 Total estimated project costs

\$18,311,000 Project costs previously allocated: \$911,000 for preliminary plans, \$820,000 for working drawings, and \$16,580,000 for construction (\$12,569,000 contract, \$754,000 contingency, \$371,000 A/E, \$716,000 other project costs, and \$2,170,000 agency retained items)

\$3,017,000 Augmentation to be allocated: decrease of \$86,000 for working drawings and an increase of \$3,103,000 for construction (\$2,101,000 contract, \$126,000 contingency, \$305,000 A/E, \$542,000 other project costs, and \$29,000 agency retained items)

Ironwood State Prison

\$15,743,000 Total authorized project costs

\$18,539,000 Total estimated project costs

\$15,743,000 Project costs previously allocated: \$718,000 for preliminary plans, \$618,000 for working drawings, and \$14,407,000 for construction (\$10,729,000 contract, \$643,000 contingency, \$347,000 A/E, \$667,000 other project costs, and \$2,021,000 agency retained items)

\$2,796,000 Augmentation to be allocated: decrease of \$50,000 for working drawings and an increase of \$2,846,000 for construction (\$1,993,000 contract, \$120,000 contingency, \$224,000 A/E, \$484,000 other project costs, and \$25,000 agency retained items)

CEQA

CDCR filed Notices of Determinations with the State Clearinghouse on various dates and the 30-day statute of limitations expired without challenge.

Real Estate Due Diligence

The Department of General Services completed Summary of Conditions Letters for these projects on various dates and no issues that would adversely affect the beneficial use and quiet enjoyment of these projects were identified.

<u>Project Schedule</u>	
Approve preliminary plans	Various
Complete working drawings	Various
Start construction	Various
Complete construction	Various

Staff Recommendation: Approve an augmentation of \$10,275,000 for four Program projects as shown in Table 1 and recognize a scope change for one Program project.

ACTION ITEMS

ACTION ITEM—1

**HIGH SPEED RAIL AUTHORITY (2665)
INITIAL OPERATING SEGMENT, SECTION 1
VARIOUS COUNTIES**

Authority: 2012 Budget Act, Item 2665-306-0890 (1), as reappropriated by the 2018 Budget Act
 2012 Budget Act, Item 2665-306-6043 (1), as reappropriated by the 2018 Budget Act
 2014 Budget Act, Item 2665-306-3228 (1),
 Section 39719(b) (2) of the Health and Safety Code
 Section 39719.1 of the Health and Safety Code
 Section 15854 of the Government Code

Consider the adoption of Resolutions of Necessity authorizing the use of eminent domain by the High Speed Rail Authority to acquire the following properties for the High Speed Train System:

1. **Arvizu Property (Fresno County)**
Authority Parcel Number: FB-10-1509-1
Assessor Parcel Number: 338-110-70

2. **Cedar Avenue Property (Fresno County)**
Authority Parcel Number: FB-10-1220-1
Assessor Parcel Number: 335-220-35 (formerly designated as 335-220-31)

3. **Neufeld Property (Kern County)**
Authority Parcel Numbers: FB-15-0035-1, FB-15-0035-2, FB-15-0035-3,
FB-15-0035-4, FB-15-0035-5, FB-15-0035-6, FB-15-0035-7, FB-15-0035-8,
FB-15-0035-9, FB-15-0035-10, FB-15-0035-11, FB-15-0035-12, FB-15-0035-13,
and FB-15-0035-14
Assessor Parcel Number: 059-280-57

STAFF ANALYSIS ITEM—1

High Speed Rail Authority
Initial Operating Segment, Section 1
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.

The properties are within the right of way for the Initial Operating Segment, Section 1, 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 in November 2019 and December 2019, 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.

On February 20, 2020, Notices of Intent to adopt a Resolution of Necessity were mailed by Board staff to the property owners. These notices were sent in accordance with Code of Civil Procedure section 1245.235.

Property Specific Information:

1. Arvizu Property (Fresno County)

Authority Parcel Number: FB-10-1509-1

Assessor Parcel Number: 338-110-70

Partial Acquisition: Approximately 0.04 acre in fee

The parcel is need for the construction of a signal cabinet on the HSTS just north of the E. Floral Avenue grade separation.

2. Cedar Avenue Property (Fresno County)

Authority Parcel Number: FB-10-1220-1

Assessor Parcel Number: 335-220-35 (formerly designated as 335-220-31)

Partial Acquisition: Approximately 0.90 acre in fee

The parcel is needed for the construction of the East Manning Avenue grade separation.

3. Neufeld Property (Kern County)

Authority Parcel Numbers: FB-15-0035-1, FB-15-0035-2, FB-15-0035-3,

FB-15-0035-4, FB-15-0035-5, FB-15-0035-6, FB-15-0035-7, FB-15-0035-8,

FB-15-0035-9, FB-15-0035-10, FB-15-0035-11, FB-15-0035-12, FB-15-0035-13,

and FB-15-0035-14

Assessor Parcel Number: 059-280-57

Partial Acquisition: Approximately 32.80 acres (29.77 acres in fee and 3.03 acres in easement)

The parcel is needed for the HSTS between Phillips Road and McCombs Road and construction McCombs Road grade separation.

Staff Recommendation: Adopt Resolutions of Necessity authorizing the use of eminent domain by the Authority to acquire properties for the HSTS.

OTHER BUSINESS

NONE

REPORTABLES

TO BE PRESENTED AT MEETING