



## Staff Analysis

### STATE PUBLIC WORKS BOARD

Monday, March 25, 2019 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 Internet at: <http://www.spwb.ca.gov>.

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

# BOND ITEMS

## BOND ITEM—1

**BOARD OF STATE AND COMMUNITY CORRECTIONS (5227)  
2019 SERIES A, LEASE REVENUE BONDS  
SOLANO JAIL PROJECT**

*Project:* **Solano Jail Project**

*Location:* Solano County

*Authority:* Government Code Sections 15820.92-15820.926 (SB 1022)

**Consider adoption of a resolution to:**

- 1. Authorize the sale of the State Public Works Board Lease Revenue Bonds, Board of State and Community Corrections, 2019 Series A, Solano Jail Project, Tax-Exempt Bonds.**
- 2. Approve the form of and authorize the execution of an Indenture between the State Treasurer and the Board.**
- 3. Approve the form of and authorize the execution of a Site Lease and Facility Lease for the project.**
- 4. Approve the form of and consent to and acknowledge a Facility Sublease for the project.**
- 5. Approve the form of and authorize the execution of a Continuing Disclosure Agreement.**
- 6. Approve the form of and authorize the release of a Preliminary Official Statement, Notice of Sale contained therein, and authorize the preparation and delivery of an Official Statement.**
- 7. Approve other related actions in connection with the authorization, issuance, sale, and delivery of said revenue bonds.**

<b>Estimated Project Costs to be Financed</b>	<b>\$23,037,000</b>
<b>Estimated Par Value of Bonds to be Issued</b>	<b>\$21,150,000</b>
<b>“Not To Exceed” Par Amount</b>	<b>\$26,560,000</b>

## STAFF ANALYSIS ITEM—1

Board of State and Community Corrections  
2019 Series A, Lease Revenue Bonds  
Solano Jail Project

### Action Requested

**If approved, the requested action would authorize the sale of the 2019 Series A lease revenue bonds and other related actions in connection with the issuance, sale, and delivery of said revenue bonds, including approving the forms of and authorizing the execution of an indenture, site lease, facility lease, continuing disclosure agreement, and authorizing the delivery of a preliminary official statement and an official statement. This action would also approve the form of and consent to and acknowledge a facility sublease.**

## Background

Under Government Code Sections 15820.92-15820.926 the Board is authorized to issue bonds to finance a portion of the cost of the design and construction of certain local correctional facilities. This action would authorize the sale of lease revenue bonds, in part, to provide funds to finance and refinance, on behalf of the Board of State and Community Corrections (“BSCC”), the Solano Jail Project (“Project”).

Solano County has leased the site of their Project to BSCC through ground leases and have provided an easement over the county property for access, utilities and repair for the Project.

Previously, the Board has issued bonds pursuant to indentures supplemental to the Board’s master indenture, dated as of April 1, 1994, and as subsequently amended on various dates thereafter (“Master Indenture”). Such bonds were secured, in part, by the reserve fund established under the Master Indenture. If this action is approved, bonds will be issued pursuant to a stand-alone indenture, not as a supplement to the Master Indenture. The bonds will not be secured by the Master Indenture reserve fund, nor will there be a reserve fund established under the stand-alone indenture. However, the Board will reserve the right to designate the bonds sold under the stand-alone indenture as “incorporated bonds” to be secured by the Master Indenture reserve fund.

Concurrently with the issuance of the bonds, BSCC will enter into a site lease with the board for the Project under which the Board will lease the site at which the Project is located from BSCC. The Board will enter into a facility lease with BSCC under which BSCC will lease the facility from the Board. The rental payments under the facility lease secure the payment of principal and interest on the Board’s bonds. Additionally, with the consent of the Board, BSCC will enter into a facility sublease with the Solano County for the county’s the use, operation and maintenance of the Project. Once the bonds are paid in full (these bonds will have a term of fifteen (15) years) Solano County will own the Project.

The bonds will be sold through a competitive sale and awarded on the basis described in the form of Notice of Sale.

## Description of the Project

### **Solano Jail Project**

The Solano Jail project, also known as the Rourk Vocational Training Center (the “Project”), includes the design and construction of two new vocational education program buildings near an existing adult correctional facility on county-owned land in the city of Fairfield. The new buildings have a combined space of approximately 46,600 square feet and are constructed primarily of steel, masonry, and concrete for long-term durability.

Of the two buildings, one includes classrooms, a computer training center, a lobby/reception area, and administrative and support space. The other building consists of vehicle repair bays with vehicle lifts for bus and automobile repair and maintenance programs, an area for building trade programs, and office and support space.

The Project also includes a photovoltaic system, concrete walkways, secure fencing, paved asphalt areas for vehicle circulation and parking, landscaping, and water detention areas for storm water runoff, as well as all appurtenances necessary for the operation of the facility. The buildings include cost effective “green building” principles designed with the goal of achieving LEED Silver certification.

The Project is complete and was available for occupancy in December 2018. The total cost of the Project is approximately \$26.5 million, of which approximately \$23 million is expected to be financed with proceeds from the Board's bonds, with the balance funded from other sources.

**Staff Recommendation:**     **Adopt the resolution.**

## **OTHER BUSINESS**

**NONE**

## **REPORTABLES**

**NONE**