



STAFF ANALYSIS

STATE PUBLIC WORKS BOARD

*Monday, September 9, 2019 at 1:00 p.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, five days prior to the meeting.

BOND ITEMS

BOND ITEM—1

DEPARTMENT OF JUSTICE (0820)
DEPARTMENT OF CORRECTIONS (5225)
2019 SERIES B, LEASE REVENUE REFUNDING BONDS
VARIOUS CAPITAL PROJECTS

VARIOUS PROJECTS:

Series 2006 D – Department of Justice

1. Redding Replacement Forensic Laboratory (Redding Project)
2. Santa Barbara Replacement Forensic Laboratory (Santa Barbara Project)

Series 2006 H – Department of Corrections and Rehabilitation

1. California State Prison – Sacramento Psychiatric Services Unit/Enhanced Outpatient Care Phase II, City of Folsom
2. Ironwood State Prison – Correctional Treatment Center Project (ISP Project) in the City of Blythe

Series 2007 D – Department of Corrections and Rehabilitation

1. California Men's Colony, Wastewater Collection and Treatment Project (CMC Project) in the City of San Luis Obispo

Series 2008 F – Department of Justice

1. Santa Rosa Replacement Laboratory (Santa Rosa Project)

Series 2009 H – Department of Corrections and Rehabilitation

1. California State Prison – Monterey Bay County (Salinas Valley State Prison 64 Bed Mental Health Facility project) in the City of Soledad

Consider adoption of a resolution to:

1. **Authorize the sale of the State Public Works Board Lease Revenue Refunding Bonds, 2019 Series B, Various Capital Projects, 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 agreements for the sites and facilities, Escrow Agreements, a Continuing Disclosure Agreement, and a Notice of Sale.**
3. **Approve the form of and authorize the execution of an escrow agreement for purposes of defeasing the Public Works Board Lease Revenue Refunding Bonds, 2006 Series F (California State Prison – Monterey County (Soledad II)).**
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 2019 Series B Lease Revenue Refunding Bonds:

<u>Bond Series</u>	<u>Currently Outstanding Par Amount</u>
2006D Bonds	\$9,965,000
2006H Bonds	\$15,220,000
2007D Bonds	\$21,855,000
2008F Bonds	\$7,430,000
2009H Bonds	\$20,920,000

STAFF ANALYSIS ITEM—1

Department of Justice (0820)
Department of Corrections (5225)
2019 Series B, Lease Revenue Refunding Bonds
Various Capital Projects

Action Requested

If approved, the requested action would authorize the sale of the 2019 Series B lease revenue refunding bonds 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 agreements for the sites and facilities, Escrow Agreements, a Continuing Disclosure Agreement, a Notice of Sale, and approving the form of and authorizing the delivery of a preliminary official statement, and authorizing the preparation and delivery of an official statement. The requested action would also approve the form of and authorize the execution of an escrow agreement for purposes of defeasing the Public Works Board Lease Revenue Refunding Bonds, 2006 Series F (California State Prison – Monterey County (Soledad II)).

Description of the Refunding

Under Government Code section 15840, the State Public Works Board (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 2019 Series B bonds, which have an estimated par amount of approximately \$60 million, will refund the Board's Series 2006 D, Series 2006H, Series 2007D, Series 2008F, and Series 2009H bonds and achieve an anticipated net present value savings of approximately \$15 million and an anticipated savings of approximately 20 percent of the refunded bonds.

If this action is approved, the 2019B 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 State Public Works Board's (Board) outstanding bonds: Series 2006 D, Series 2006H, Series 2007D, Series 2008F, Series 2009H and (ii) to pay the costs of issuance of the 2019B Bonds. Additionally, if this action is approved, an irrevocable escrow will be established to defease the Board's Series 2006F bonds, which is a related series to the Series 2009H bonds. The defeasance of the Series 2006F bonds will help facilitate the refunding of the Series 2009H bonds.

The 2019B Bonds will be sold through a competitive sale and awarded on the basis described in the form of Notice of Sale.

Refunded Projects:

(0820) Department of Justice, Redding Replacement Forensic Laboratory Project: The Redding Replacement Laboratory is located on an approximately 1.4 acre site at 9737 Tanqueray Court in Redding, California. The Redding Replacement Laboratory consists of an approximately 16,800 gross square foot single story masonry building with steel framing and slab on grade, consisting of laboratory and administrative spaces. The Redding Replacement Laboratory was fully operational and occupied in July 2005.

(0820) Department of Justice, Santa Barbara Replacement Forensic Laboratory Project: The Santa Barbara Replacement Laboratory is located at 155 David Love Place in Goleta, California, near the Santa Barbara Airport on an approximately 0.7 acre site leased to the Department of General Services of the State of California from the City of Santa Barbara pursuant to a forty-year ground lease that terminates on January 31, 2042 (which term can be extended by the parties for up to an additional ten (10) years). The Santa Barbara Replacement Laboratory consists of an approximately 13,800 gross square foot single story masonry building with steel framing and slab on grade, consisting of laboratory and administrative spaces. The Santa Barbara Replacement Laboratory was fully operational and occupied in September 2006.

(0820) Department of Justice, Santa Rosa Replacement Forensic Laboratory Project: The Santa Rosa Replacement Laboratory on approximately 1.1 acres at 410 Russel Avenue in Santa Rosa, California, and consists of an approximately 14,650 square foot single story masonry structure with steel framing and slab on grade. The Santa Rosa Replacement Laboratory was fully operational and occupied in February 1, 2008.

(5225) Department of Corrections and Rehabilitation, California State Prison – Sacramento Psychiatric Services Unit/Enhanced Outpatient Care Phase II: The California State Prison-Sacramento (“SAC”) is situated on 118 acres in the City of Folsom. SAC has been operational since 1986, and houses maximum security male inmates. The SAC Psychiatric Services Unit consists of an over 56,000 gross square foot facility. The exterior walls are reinforced concrete and the roofing system is elastic sheet roofing over concrete deck supported by precast concrete beams and columns. The SAC Psychiatric Services Unit was fully operational and occupied in July 2006.

(5225) Department of Corrections and Rehabilitation, Ironwood State Prison – Correctional Treatment Center Project: The Ironwood State Prison (“ISP”) Correctional Treatment center is located at ISP in the City of Blythe. ISP began operating in 1994, and houses medium to minimum security male inmates. The ISP Correctional Treatment Center consists of an approximately 19,760 gross square foot health care facility, including space for medical records management, and an approximately 2,000 gross square foot freestanding building for medical supply storage. The exterior walls are reinforced split faced masonry block and the roofing system is single ply membrane over metal deck supported by steel framing. The ISP Correctional Treatment Center was fully operational and occupied in January 2007.

(5225) Department of Corrections and Rehabilitation, California Men’s Colony, Wastewater Collection and Treatment Project: The California Men’s Colony (“CMC”) is situated on 178 acres on the California central coast, approximately five miles north of San Luis Obispo, and consists of two facilities. The CMC-East facility, which began operating in 1961, houses medium security male inmates. The CMC-West facility, which began operating in 1954, houses minimum security male inmates. The CMC Wastewater Collection and Treatment Plant collects and treats domestic wastewater from CMC, the County of San Luis Obispo Operations Center, Camp San Luis Obispo and Cuesta Community College. The plant was designed to handle 1.2 million gallons of sewage per day during average dry weather flows, and can handle up to 5.2 million gallons during peak wet weather flows. All structures are either poured in place concrete or split face concrete block. The facility is fully automated with a centralized computer system and programmable logic controllers operating all equipment. The construction of the CMC Wastewater Collection and Treatment Plant was completed in July 2007.

(5225) Department of Corrections and Rehabilitation, California State Prison – Monterey Bay County (Salinas Valley State Prison 64 Bed Mental Health Facility project): The Salinas Valley State Prison (“SVSP”) is situated on 337 acres in the City of Soledad. The SVSP began operating in 1996, and houses medium to maximum security male inmates. The SVSP 64 Bed Mental Health Facility consists of a single story approximately 31,200 gross square foot building for institutional mental health treatment. The facility is licensed pursuant to Title 22 and Title 24 Correctional Treatment Center standards. The facility also includes approximately 7,300 gross square feet of outdoor recreation yards. The exterior walls are reinforced split faced masonry block and the roofing system is elastomeric sheet roofing over metal deck supported by steel framing. The SVSP 64 Bed Mental Health Facility was fully operational and occupied in July 2009.

Staff Recommendation: Adopt the resolution.

OTHER BUSINESS

NONE

REPORTABLES

NONE