



STATE PUBLIC WORKS BOARD

April 6, 2020

APPROVED MINUTES**PRESENT:**

Ms. Gayle Miller, Chief Deputy Director, Director, Department of Finance

Mr. Jim Davis, Chief Deputy Director, Department of Transportation

Mr. Daniel Kim, Director, Department of General Services

Ms. Jacqueline Wong-Hernandez, Deputy Controller, State Controller

Ms. Fiona Ma, State Treasurer, State Treasurer's Office

CALL TO ORDER AND ROLL CALL:

Ms. Gayle Miller, Chairperson of the Board, called the meeting to order at 1:03 p.m.

Ms. Kat Lee, serving as Secretary to the Board, called the roll. A quorum was established.

BOND ITEMS:

The first order of business was to consider two Bond Items:

- Bond Item 1: Ms. Sally Lukenbill, Deputy Director for the Board, indicated that if approved, Bond Item 1 would adopt a resolution authorizing the sale of State Public Works Board lease revenue bonds to finance and refinance certain costs for the Santa Clara County Juvenile Project in Santa Clara County for the Department of Corrections and Rehabilitation (CDCR), the Napa County Jail Project in Napa County for the Board of State and Community Corrections (BSCC), and the Academic Building Replacement Project for Hastings College of the Law. The action would also approve the form of various documents related to, and authorize other related actions in connection with, the authorization, issuance, sale, and delivery of said revenue bonds. Total estimated par value of the bonds to be issued was \$74.4 million.

Ms. Lukenbill described the lease-lease back structure of the financing and that the rental payments under the facility leases would secure the payment of principal and interest on the Board's bonds. Additionally, Ms. Lukenbill noted that CDCR and BSCC would enter into a facility sublease with each respective County (Santa Clara and Napa) for the county's use, operation, and maintenance of the projects.

The leases for CDCR and BSCC were scheduled to terminate at the end of 15 years. After termination, the projects would be owned by the respective counties. The bonds were scheduled to be fully paid and the lease for the Hastings project was scheduled to terminate in 25 years, after which the Hastings project would be owned by Hastings.

Staff recommended adoption of the resolution.

Ms. Miller asked if there were any questions or comments from the Board, or from the public. There were none.

A motion was made by Ms. Wong-Hernandez and seconded by Mr. Kim to adopt staff recommendation. The motion passed unanimously through a 5-0 roll-call vote (Ms. Miller, Mr. Kim, Mr. Davis, Ms. Wong-Hernandez, and Ms. Ma all voting aye).

- Bond Item 2: Ms. Lukenbill indicated that if approved, Bond Item 2 would adopt a resolution that would authorize the sale of the State Public Works Board 2020 Series C lease revenue bonds, approve the form of various documents related to, and authorize other related actions in connection with the issuance, sale, and delivery of said revenue bonds.

Ms. Lukenbill stated that if approved, the 2020 Series C bonds would provide funds that would be used, together with other lawfully available moneys, to (i) establish irrevocable escrows to refund and defease all of the Board's 2010 Series A, Subseries A-2, lease revenue bonds outstanding bonds and (ii) pay the costs of issuance of the 2020 C bonds.

Ms. Lukenbill noted that the 2020 Series C bonds would be sold through a negotiated sale upon the terms and conditions set forth in the Bond Purchase Contract.

Staff recommended adoption of the resolution.

Ms. Miller asked if there were any comments or questions from the Board, or from the public. There were none.

A motion was made by Mr. Davis and seconded by Ms. Wong-Hernandez to adopt staff recommendation. The motion passed unanimously through a 5-0 roll-call vote (Ms. Miller, Mr. Kim, Mr. Davis, Ms. Wong-Hernandez, and Ms. Ma all voting aye).

OTHER BUSINESS:

NONE

NEXT MEETING:

Ms. Miller stated that the next Board meeting was scheduled for Friday, May 8, 2020, time and location to be determined.

Ms. Miller asked if there were any other questions or comments from the Board, or from the public. There were none.

The meeting was adjourned at 1:13 p.m.