



STATE PUBLIC WORKS BOARD  
August 12, 2022

**APPROVED MINUTES**

**PRESENT:**

Ms. Gayle Miller, Deputy Director, Department of Finance  
Ms. Jennifer Osborn, Chief Deputy Director, Department of General Services  
Mr. Mike Keever, Chief Deputy Director, Department of Transportation  
Mr. Blake Fowler, Director of Public Finance, State Treasurer  
Mr. David Oppenheim, Deputy Controller, State Controller

**CALL TO ORDER AND ROLL CALL:**

Ms. Miller, Chairperson of the Board, called the meeting to order at 10:02 am  
Ms. Kat Lee, Secretary of the Board, called the roll. A quorum was established.

**BOND ITEMS:**

The first order of business was to consider 3 bond items.

- Bond Item 1: If approved, Bond Item 1 would adopt a resolution authorizing actions to be taken to provide for interim financing, authorize the sale of lease revenue bonds, approve the form of and authorize the execution and delivery of a Project Delivery Agreement, and other related actions for the construction of the New Lakeport Courthouse project in Lake County, for the Judicial Council of California.

Sally Lukenbill, Executive Director of the Board, noted that the project included the design and construction of a new, full-service courthouse with four courtrooms. The new facility would provide for increased security and expanded capacity for in-custody proceedings, and would provide jury assembly rooms, waiting rooms, and attorney-client meeting rooms.

Ms. Lukenbill stated that the project would be issued in an amount not to exceed \$77.2 million.

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. Miller and seconded by Mr. Keever to adopt the resolution. The motion passed unanimously through a 5-0 roll-call vote (Ms. Bosler, Ms. Osborn, Mr. Keever, Mr. Fowler, and Mr. Oppenheim, all voting aye).**

- Bond Item 2: If approved, Bond Item 2 would adopt an amended and restated resolution updating the reference to the law authorizing bond financing of the project, and would authorize actions to be taken to provide for interim financing, authorize the sale of lease revenue bonds, and authorize other related actions for the construction of the California Institution For Men — 50-Bed Mental Health Crisis Facility project in San Bernardino County, for the Department of Corrections and Rehabilitation.

Ms. Lukenbill stated that the project included the design and construction of a new, approximately 70,000 square foot, 50-Bed Mental Health Crisis Facility that would provide housing, treatment, and administrative space for the treatment of patients in a mental health crisis state or patients requiring other levels of licensed mental health care. The facility would provide licensed space that could be operated at either the Mental Health Crisis Facility or Intermediate Care Facility level of care and serve both male and female patients.

Bonds for the project would be issued in an amount not to exceed \$120.6 million.

Staff recommended adoption of the amended and restated 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. Miller and seconded by Mr. Oppenheim to adopt the resolution. The motion passed unanimously through a 5-0 roll-call vote (Ms. Bosler, Ms. Osborn, Mr. Keever, Mr. Fowler, and Mr. Oppenheim, all voting aye).**

- Bond Item 3: If approved, Bond Item 3 would adopt an amended and restated resolution updating the reference to the law authorizing bond financing of the project, and would authorize actions to be taken to provide for interim financing, authorize the sale of lease revenue bonds, and authorize other related actions for the construction of the Sacramento Region: Jesse Unruh Building Renovation project in Sacramento County, for the Department of General Services.

Ms. Lukenbill stated that the project included renovation of major building systems, rehabilitation of historic elements, including restoration of the State Capitol Fountain, and corrections to ADA, and fire, and life safety deficiencies at the existing Jesse Unruh Building. The project scope also included modernization of the STO vault's structural, security, fire suppression, air conditioning, and ventilations systems. Other project elements included elevator modernization, roof and skylight repairs, window replacement, repairs to exterior granite, brick, and terra cotta surfaces, and abatement of lead paint and asbestos-containing materials.

Bonds for the project would be issued in amount not to exceed \$187.5 million.

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 Mr. Fowler and seconded by Ms. Miller to adopt the resolution. The motion passed unanimously through a 5-0 roll-call vote (Ms. Bosler, Ms. Osborn, Mr. Keever, Mr. Fowler, and Mr. Oppenheim, all voting aye).**

Ms. Miller thanked and excused Mr. Fowler and Mr. Oppenheim.

#### **MINUTES:**

The next order of business was to approve the minutes from the July 15, 2022 Board meeting.

Ms. Lukenbill stated that staff had prepared and reviewed the minutes from the July 15, 2022 Board meeting and recommended approval of the meeting minutes.

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. Miller and seconded by Ms. Osborn to approve the meeting minutes. The motion passed unanimously through a 3-0 roll-call vote (Ms. Miller, Ms. Osborn, and Mr. Keever all voting aye).**

#### **CONSENT ITEMS:**

The next order of business was to consider Consent Calendar, which consisted of two items. All items were presented by Ms. Lukenbill.

- Consent Item 1: If approved, the request would authorize acquisition of real property through the acceptance of a transfer of title for the Central Branch Courthouse in San Mateo County for the Judicial Council of California. The property consisted of approximately 2-acres, and was improved by a single-story, 16,610 square foot building constructed in 1960, with an on-site parking area and associated landscaping.
- Consent Item 2: If approved, the request would approve the Guaranteed Maximum Price of \$144.4 million, and authorize proceeding with the Design-Build phase of the Sacramento Region: Jesse Unruh Building Renovation project in Sacramento County for the Department of General Services. The total cost for the project was \$193.8 million.

Staff recommended approval of Consent Items 1 and 2.

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. Miller and seconded by Ms. Osborn to approve Consent Items 1 and 2. The motion passed unanimously through a 3-0 roll-call vote (Ms. Miller, Ms. Osborn, and Mr. Keever all voting aye).**

#### **ACTION ITEMS:**

The next order of business was to consider three action items, as action Item 3 was pulled. All items were presented by Ms. Lukenbill.

- Action item 1: If approved, the action would approve a fourth amendment to the lease purchase agreement for the Tracy Area Office Replacement project in San Joaquin County for the California Highway Patrol.

On September 24, 2018, the Board authorized an acquisition through the approval of a lease-purchase agreement with Magnon (the lessor-developer) for a new CHP area office in Tracy. The Board approved two subsequent amendments of the lease-purchase agreement on November 8, 2019 and June 12, 2020, to extend the date by which the state could unilaterally cancel the lease to provide additional time for Magnon to complete the acquisition process. The Board approved a third amendment in October 2020, after Magnon informed the DGS and CHP that the lease payments would be insufficient to complete the project due to design revisions and significant delays in the acquisition process.

In May 2022, Magnon informed DGS and CHP about unexpected delays and increased costs in completing the project resulting from the need to add a concrete lining to a drainage channel around the project site that was required by the City of Tracy, and supply chain challenges. After extensive negotiations, Magnon, DGS, CHP, and Board staff have agreed to a proposed fourth amendment to the lease that will address the issues.

Staff recommended approval of a fourth amendment to the lease purchase agreement as presented to the Board.

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. Miller and seconded by Ms. Osborn to adopt staff recommendation. The motion passed unanimously through a 3-0 roll-call vote (Ms. Miller, Ms. Osborn, and Mr. Keever all voting aye).**

- Action Item 2: If approved, the action would rescind a Resolution of Necessity authorizing the use of eminent domain by the High Speed Rail Authority, to acquire the property or interests in property for the High Speed Train System, for the Producers Ice Cream Property.

Ms. Lukenbill stated that on January 14, 2022, the Board adopted the Resolution of Necessity authorizing the use of eminent domain to acquire the subject property. Since then, the High Speed Rail Authority had confirmed the need for additional land that will require a new maps, appraisal, and a first written offer, thereby invalidating the existing Resolution of Necessity.

Staff recommended the adoption of a resolution rescinding the Resolution of Necessity authorizing the use of eminent domain to acquire the property or interests in property for High Speed Rail.

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

**A motion was made by Ms. Miller and seconded by Mr. Keever to adopt staff recommendation. The motion passed unanimously through a 3-0 roll-call vote (Ms. Miller, Ms. Osborn, and Mr. Keever all voting aye).**

- Action Item 4: If approved, the action would adopt 10 Resolutions of Necessity authorizing the use of eminent domain by the High Speed Rail Authority, to acquire properties or interests in properties for the High Speed Train System.

The Authority notified the Board's staff that for Properties 3, 4, and 6 through 10, between October 2020 and May 2022, 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 had informed the Board's staff that negotiations to acquire the property were continuing; however, to keep the project on schedule, the adoption of Resolutions of Necessity to authorize the use of eminent domain was required at the time.

For Properties 1, 2, and 5, a formal offer to purchase the Property was not mailed due to inability to locate the owner of record or confirm the identity or any appropriate heirs, descendants, or devisees.

On July 28, 2022, Notices of Intent to adopt Resolutions of Necessity were mailed by Board staff to the property owners of properties 3, 4, and 6 through 10. The Notices of Intent for Properties 1, 2, and 5 were posted at the respective property boundaries. These notices were sent in accordance with Code of Civil Procedure.

Ms. Lukenbill stated that the members' briefing packages contained the Resolutions of Necessity, surveyor maps for each of the properties, an objection letter, and request to appear from representatives of property #6, the Stuber property in Kings County, as well as High Speed Rail's response to the objection.

Ms. Lukenbill noted that Board counsel had reviewed the objections raised in the letter, and based on that review, staff felt comfortable recommending that the Board move forward with the adoption of the Resolution of Necessity for the property. However, staff recommended the Board consider the Stuber property separately from the nine Resolutions of Necessity which did not receive objections. As a result, the 9 unopposed Resolutions of Necessity (Properties 1 through 5 and 7 through 10) would be presented first, with a separate vote.

Joe Carroll, serving as counsel to the Board on Eminent Domain items, presented the 9 unopposed Resolutions of Necessity.

Mr. Carroll stated that the nine unopposed Resolutions of Necessity before the Board had been reviewed to ensure there is prima facie evidence that the factors set forth in Code of Civil Procedure Section 1245.230 are present.

Mr. Carroll explained that it was counsel's opinion that for the nine unopposed Resolutions of Necessity, prima facie evidence for the factors was present such that the Board may adopt the Resolutions of Necessity. If the Board agreed and determined the factors were present, the Board may move to adopt the Resolutions of Necessity.

Staff recommended the adoption of 9 unopposed Resolutions of Necessity (Properties 1 through 5 and 7 through 10) authorizing the use of eminent domain to acquire properties or interests in properties for High Speed Rail.

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

**A motion was made by Ms. Miller and seconded by Mr. Keever to adopt staff recommendation. The motion passed unanimously through a 3-0 roll-call vote (Ms. Miller, Mr. Keever, and Ms. Osborn all voting aye).**

Mr. Carroll presented the opposed Resolution of Necessity.

The opposed Resolution of Necessity was for property #6, the Stuber property in Kings County. In a letter sent to the Board, counsel for the property owner, Mr. Steven Alfieris, requested to appear and expressed his hope that the Authority would drop the pursuit of the parcels, and find options that are less impactful to the property owner.

The Resolution of Necessity, owner objection, and the High Speed Rail Authority's response had been reviewed, and was counsel's opinion that High Speed Rail Authority's written response adequately addressed the objection made on behalf of the property owner. In addition, prima facie evidence that the factors set forth in Code of Civil Procedure Section 1245.230 were present. If the Board agreed and determined the factors were present, the Board may move to adopt the Resolution of Necessity.

Staff recommended adoption of the Resolution of Necessity authorizing the use of eminent domain for the Property 6, the Stuber property in Kings County.

Mr. Steven Alfieris from the Dias Law Firm in Hanford, California stated that his client, Mr. Paul J. Stuber, was going through a piecemeal process with the High Speed Rail Authority for a second time since 2017 because of easements and design changes.

Mr. Keever requested a response from the High Speed Rail Authority to Mr. Alfieris' statement.

Trevor Carson, Attorney with the High Speed Rail Authority, explained that as stated by Mr. Carroll, the High Speed Rail Authority had met the elements required to adopt the Resolution of Necessity and that the Authority makes every effort to consider all of the impacts and find the least impacts on the community.

**A motion was made by Ms. Miller and seconded by Ms. Osborn to adopt staff recommendation. The motion passed unanimously through a 3-0 roll-call vote (Ms. Miller, Mr. Keever, and Ms. Osborn all voting aye).**

#### **REPORTABLES:**

Ms. Lukenbill presented the reportable items for the period July 2, 2022 through July 31, 2022 and stated that the reportable items were included in the staff analysis and in the member's briefing packets.

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

**NEXT MEETING:**

Ms. Miller stated that the next Board meeting was scheduled for Friday, September 9, 2022 at 10am, and the location of the meeting would be posted on the Board's website.

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

The meeting was concluded.