



STATE PUBLIC WORKS BOARD
March 20, 2023

FINAL MINUTES

PRESENT:

Ms. Gayle Miller, Chief Deputy Director, Department of Finance
Ms. Jennifer Osborn, Chief Deputy Director, Department of General Services
Mr. Juan Fernandez, Director of Public Finance, State Treasurer
Mr. David Oppenheim, Deputy Controller, State Controller
Mr. Bryan Cash, Assistant Secretary for Administration-and Finance, Natural Resources Agency

CALL TO ORDER AND ROLL CALL:

Ms. Miller, Chairperson of the Board, called the meeting to order at 11:05 am
Mr. Randall Katz, Secretary of 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: If approved, Bond Item 1 would adopt a resolution, authorizing the sale of State Public Works Board 2023 Series A lease revenue bonds to finance the costs of construction and other costs for the various departments and projects, which are more specifically described in Appendix B of the Preliminary Official Statement.

Ms. Raghda Nassar, Deputy Director of the Board noted that the departments and projects include:

- The California Department of Forestry and Fire Protection, Badger Forest Fire Station: Replace Facility project and the San Mateo/Santa Cruz Unit Headquarters: Relocate Automotive Shop.
- The California Department of Corrections and Rehabilitation, Orange Juvenile Project.
- The Board of State and Community Corrections, Trinity Jail Project.

Ms. Nassar also stated that the total estimated project costs to be financed were \$58.4 million and the total estimated par value of the bonds to be issued was \$52.8 million.

Concurrent with the issuance of the bonds, the departments will enter into site leases with the Board for their respective projects, under which the Board will lease the sites at which the projects are located from the departments. The Board will lease the respective facilities to the departments. The rental payments under these facility leases secure the payment of the principal and interest on the Board's bonds. Additionally,

with the consent of the Board, CDCR and BSCC will enter into facility subleases with each respective county for the county's use, operation, and maintenance of the projects.

Ms. Nassar indicated that the leases for the CDCR and BSCC projects were scheduled to terminate at the end of 15 years. Upon termination, the projects will be owned by the respective counties and the bonds were scheduled to be fully paid and the leases for the CalFire projects will terminate in 25 years.

The 2023 Series A bonds would be sold through a negotiated sale on the basis described in the form of Purchase Contract.

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

Assemblymember Eloise Reyes, Legislative Advisor to the Board, asked if the intended projects were expected to last as long as the leases. Ms. Miller explained that Bond Item 1 would approve the financing of the bonds to build the projects. Ms. Shelly Renner, Staff Counsel to the Board also noted that the financing would end prior to the expected life of the actual projects.

A motion was made by Ms. Miller and seconded by Ms. Osborn to approve Bond Item 1. The motion passed unanimously through a 5-0 roll-call vote (Ms. Miller, Ms. Osborn, Mr. Oppenheim, and Mr. Fernandez all voting aye).

- Bond Item 2: If approved, Bond Item 2 would adopt a resolution authorizing the sale of State Public Works Board, 2023 Series B, lease revenue refunding bonds, approve the form of various documents related to, and authorize other related actions in connection with, the issuance, sale, and delivery of the revenue bonds. Proceeds from the 2023 Series B Bonds will be used, with other lawfully available moneys, to refund and defease the Board's outstanding Series 2013A, 2013D, and 2013E Lease Revenue Bonds, which financed the following projects, which are more specifically described in Appendix B of the Preliminary Official Statement.

Ms. Nassar noted that the departments and projects include:

- The Judicial Branch
 - Hanford Courthouse
 - Santa Clara Family Justice Center
 - Yuba City Courthouse
- The Department of State Hospitals
 - Coalinga State Hospital

Ms. Nassar also noted that the 2023 Series B bonds have an estimated par amount of approximately \$427 million. Refunding the Board's 2013 Series A, 2013 Series D and 2013 Series E Bonds would achieve a net present value savings of approximately \$45 million, which is approximately 9.5 percent of the par amount of the refunded bonds.

The 2023 Series A bonds would be sold through a negotiated sale, as described in the Notice of Sale. Proceeds from the 2023 Series B Bonds would be used with other lawfully

available moneys, to establish irrevocable escrows to refund and defease the Board's outstanding 2013 Series A, 2013 Series D, and 2013 Series E Bonds. The refunding would result in a release from the Master Reserve Fund, which is planned to be used for the escrow, lowering the cost of the financing.

Ms. Miller asked if there were any questions or comments from the Board, or from the public.

Assemblymember Reyes asked what fund the expected savings were related to and could the savings be used for other projects. Ms. Miller explained that the savings are related to the reduction of future debt service payments and could not be used for other purposes. Ms. Renner agreed.

A motion was made by Mr. Fernandez and seconded by Ms. Miller to approve Bond Item 2. The motion passed unanimously through a 5-0 roll-call vote (Ms. Miller, Ms. Osborn, Mr. Oppenheim, and Mr. Fernandez all voting aye).

- Bond Item 3: If approved, Bond Item 3 would adopt a resolution authorizing actions to be taken to provide for interim financing, authorize the sale of lease revenue bonds, and other related actions for the Adult Local Criminal Justice Facilities Project in Colusa County for the Board of State and Community Corrections.

Ms. Nassar stated that the scope of this project consisted of the design and construction of a new, stand-alone jail facility on approximately 0.7 acres of county-owned land, adjacent to the existing county jail in the City of Colusa. The new building would provide replacement housing, a secure corridor to the existing jail, and support services and administrative space.

Bonds for this project would be issued in an amount not to exceed \$20 million.

Ms. Miller asked if there were any questions or comments from the Board, or from the public.

A motion was made by Ms. Oppenheim and seconded by Ms. Osborn to approve the minutes. The motion passed unanimously through a 5-0 roll-call vote (Ms. Miller, Ms. Osborn, Mr. Oppenheim, and Mr. Fernandez all voting aye).

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

MINUTES:

The next order of business was to approve the minutes from the February 17, 2023 Board meeting.

Ms. Nassar stated that staff had prepared and reviewed the minutes from the February 17, 2023 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 minutes. The motion passed unanimously through a 2-0 roll-call vote (Ms. Miller and Ms. Osborn both voting aye).

Ms. Miller pulled Consent Item 1 and moved it to Action Items.

ACTION ITEMS:

The next order of business was to consider one action item.

- Action item 1: If approved, this request will approve the acquisition of real property and the execution of a Property Acquisition Agreement and other such documents as may be required to complete the acquisition of the Humboldt Del Norte Unit Headquarters, Relocate Facility project in Humboldt County for the Department of Forestry and Fire Protection.

Ms. Nassar indicated that Action Item 1 was for a project within the Natural Resources Agency, and therefore, Mr. Cash joined the meeting as a voting member.

The acquisition consisted of an approximately 18-acre parcel located at 410 Fourth Avenue, in the city of Rio Dell, county of Humboldt and the property would be acquired at a cost of \$1,820,000 and would be used for the construction of a replacement unit headquarters and fire station consistent with the Department's 2014 Facility Program Policy guidelines.

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

Ms. Miller thanked and excused Mr. Cash.

OTHER BUSINESS:

Ms. Miller indicated that on November 6, 2012, the Board adopted Resolution Number 12-1 appointing and designating specified positions in the capital outlay area within the Resources, Energy, Environment and Capital Outlay ("RECO") unit of the Department of Finance as officials that may act on behalf of the Board. It is anticipated that the Department will undergo a reorganization moving the capital outlay assignment to a new unit within the Department. The proposed resolution will replace Resolution Number 12-1 and designates specified positions within the capital outlay assignment without regard to which of the Department's units it will be located to accommodate the Department's reorganization.

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 2-0 roll-call vote (Ms. Miller and Ms. Osborn both voting aye).

REPORTABLES:

Ms. Nassar presented the reportable items for the period of February 7, 2023 through March 9, 2023 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, April 14, 2023 and the time and 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.