



STATE PUBLIC WORKS BOARD
September 9, 2022

FINAL 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
Mr. Bryan Cash, Secretary, Natural Resources Agency

CALL TO ORDER AND ROLL CALL:

Ms. Miller, Chairperson of the Board, called the meeting to order at 10:00 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 2 bond items.

- Bond Item 1: If approved, Bond Item 1 would approve the form of, and authorize the release of, the updated Official Statement related to the settlement of the 2022 Series C lease revenue refunding bonds, and approve and authorize other related actions in connection with the bonds, and effectuate the purpose of the resolution.

Ms. Raghda Nassar, Deputy Director of the Board, noted that on September 27, 2021, the Board adopted a resolution authorizing the sale of the 2022 Series C lease revenue refunding bonds and other related actions in connection with the issuance, sale, and delivery of the bonds. The 2022 Series C lease revenue refunding bonds were sold in Fall 2021 through a negotiated sale and were structured as "forward delivery" refunding bonds which allowed the bonds to be priced in Fall 2021 and issued this Fall 2022. As part of this sale, the Board was required to prepare and release an updated Official Statement prior to receiving payment for the bonds. The action would, among other things, approve the form of and authorize the release of the updated Official Statement prior to receiving payment for the bonds.

The 2022 Series C bonds sold at a par amount of \$372,040,000, refunding the Board's 2012 G Bonds. The transaction yielded a net present value savings of approximately \$77.1 million, which was approximately 20.7 percent of the par amount of the refunded bonds.

Staff recommended adoption of the resolution and the updated official statement.

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. Miller, Ms. Osborn, Mr. Keever, Mr. Fowler, and Mr. Oppenheim, all voting aye).

- Bond Item 2: If approved, Bond Item 2 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 Residential Center, Ukiah: Replacement of Existing Residential Center project in Mendocino County, for the California Conservation Corps.

Ms. Nassar stated that the project would replace the existing Ukiah residential center that was built in the 1930s that has significant functional and structural deficiencies. The new, approximately 56,000 SF center would include an administration building, seven dormitories, an education building, a recreation building, a multi-purpose room with kitchen and dining areas, a warehouse, a hazardous materials storage room, photovoltaic array, and related site work.

Bonds for the project would be issued in an amount not to exceed \$67.4 million.

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. Miller and seconded by Mr. Fowler to adopt the resolution. The motion passed unanimously through a 5-0 roll-call vote (Ms. Miller, 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 August 12, 2022 Board meeting.

Ms. Nassar stated that staff had prepared and reviewed the minutes from the August 12, 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 A, which consisted of three items within the Natural Resources Agency. All items were presented by Ms. Nassar.

- Consent Item 1: If approved, the requested action would approve preliminary plans, recognize an anticipated deficit in construction, and approve an augmentation of \$380,000 General Fund for working drawings phase of the Butte Fire Center: Replace Facility project in Butte County for the Department of Forestry and Fire Protection.
- Consent Item 2: If approved, the requested action would authorize 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 for the Lake Spaulding Forest project in Placer and Nevada Counties for the Department of Forestry and Fire Protection.
- Consent Item 3: If approved, the requested action would approve preliminary plans and recognize a scope change for the Potrero Fire Station: Replace Facility project in San Diego County for the Department of Forestry and Fire Protection.

Ms. Nassar noted that Consent Items 1 and 3 required a 20-day notice to the Joint Legislative Budget Committees and the fiscal committees in each house. The notices were sent on August 24, 2022; therefore the 20-day review period had not yet expired. As a result, the requested actions for Consent Items 1 and 3 were contingent upon expiration of the 20-day legislative notification period.

Staff recommended approval of Consent Item 2. Staff further recommended approval of Consent Items 1 and 3 contingent upon expiration of the 20-day legislative notification period without adverse comment.

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 approve Consent Item 2 on Calendar A and approval of Consent Items 1 and 3 contingent upon expiration of the 20-day legislative notification period without adverse comment. The motion passed unanimously through a 4-0 roll-call vote (Ms. Miller, Ms. Osborn, Mr. Keever, and Mr. Cash all voting aye).

Ms. Miller thanked and excused Mr. Cash.

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

- Consent Item 1: If approved, the requested action would approve preliminary plans for the Chabot-Las Positas Community College District, Chabot College,

Building 3000 Maintenance Operations Warehouse & Garage project in Alameda County for the California Community Colleges.

- Consent Item 2: If approved, the requested action would approve preliminary plans for the Los Angeles Community College District, Los Angeles Mission College, Plant Facilities Warehouse and Shop Replacement project in Los Angeles County for the California Community Colleges.
- Consent Item 3: If approved, the requested action would approve preliminary plans for the Riverside Community College District, Norco College: Center for Human Performance and Kinesiology in Riverside County for the California Community Colleges.
- Consent Item 4: If approved, the requested action would approve preliminary plans for the Sierra Joint Community College District, Sierra College: Science Building Phase 1 project in Placer County for the California Community Colleges.
- Consent Item 5: If approved, the requested action would approve preliminary plans for the West Valley-Mission Community College District, West Valley College: Theater Renovation/Expansion in Santa Clara County for the California Community Colleges.
- Consent Item 6: If approved, the requested action would recognize a scope change for the Los Angeles Community College District, East Los Angeles College: Facilities Maintenance & Operations Replacement project for the California Community Colleges.

Ms. Nassar noted that for the projects identified in consent items 1-5, estimated total costs of the projects exceed the amount recognized by the Legislature by 20 percent or more. For these project cost increases, state funding is limited to California Construction Cost Index (CCCI) adjustments applied to the state share. All other drivers of increased costs, including CCCI adjustments to the local share, will be funded by each district.

Ms. Nassar also noted that Consent Items 1 through 6 required 20-day notices to the Joint Legislative Budget Committees and the fiscal committees in each house. For Consent Item 6, the notice was also sent to the Board's legislative advisors. The 20-day review period for the notices had expired with no adverse comment.

Staff recommended approval of Consent Calendar B.

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 approve Consent Calendar B. 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 one action items.

- Action item 1: If approved, the action would adopt 7 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.

Ms. Nassar noted that Property number 8 was pulled and would not be part of the vote that day.

The Authority notified the Board's staff that for Properties 1, 3, and 7, between September 2021 and June 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 2 and 4 through 6, a formal offer to purchase the Properties was not mailed due to inability to locate the owner of record or confirm the identity or any appropriate heirs, descendants, or devisees.

On August 25, 2022, Notices of Intent to adopt a Resolution of Necessity were mailed by Board staff to the owners of Properties 1, 3, and 7. The Notices of Intent for Properties 2 and 4 through 6 were posted at the respective property boundaries. The notices were sent in accordance with Code of Civil Procedure section 1245.235. The members' briefing packages contained the Resolutions of Necessity and surveyor maps for each of the properties.

Ms. Nassar also noted that the Board members' packages contained an objection letter and request to appear from representatives of property #7, the PAI Corcoran 640 Ranch Property in Tulare County, as well as High Speed Rail's response to the objection.

At the time, 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 PAI Corcoran property separately from the six Resolutions of Necessity which did not receive objections. As a result, the six unopposed Resolutions of Necessity (Properties 1 through 6) would be presented first, with a separate vote.

Karen Lockhart, serving as counsel to the Board on Eminent Domain items, presented the six unopposed Resolutions of Necessity.

Ms. Lockhart stated that the six unopposed Resolutions of Necessity that were before the Board had been reviewed to ensure there was prima facie evidence that the factors set forth in Code of Civil Procedure Section 1245.230 were present.

Ms. Lockhart explained that it was counsel's opinion that for the six Resolutions of Necessity, prima facie evidence for these factors were present such that the Board may adopt the Resolutions of Necessity, and if the Board agreed and determined the factors were present, the Board may move to adopt the Resolutions of Necessity.

Staff recommended adoption of the six unopposed Resolutions of Necessity, specifically for properties 1 through 6, 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, 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 the six unopposed Resolutions of Necessity for properties 1 through 6. The motion passed unanimously through a 3-0 roll-call vote (Ms. Miller, Ms. Osborn, and Mr. Keever all voting aye).

Ms. Lockhart presented the opposed Resolution of Necessity for property #7, the PAI Corcoran 640 Ranch Property in Tulare 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 were less impactful to the property owner.

Ms. Lockhart stated that the Resolution of Necessity, owner objection, and the High Speed Rail Authority's response had been reviewed, and it 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, and 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 7, the PAI Corcoran 640 Ranch Property in Tulare County.

Ms. Miller asked if there were any questions from the Board, property owners or their counsel, or from the public.

Mr. Steven Alfieris, from the Dias Law Firm, representing the PAI Corcoran 640 Ranch Property, expressed his concerns regarding the inefficiency of the process.

Ms. Lockhart addressed Mr. Alfieris' comment and explained that Mr. Alfieris' issues and concerns did not go to the prima facie evidence that has been established for the Board to move forward with the Resolution of Necessity.

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).

OTHER BUSINESS:

NONE

REPORTABLES:

Ms. Nassar presented the reportable items for the period August 1, 2022 through August 29, 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, October 14, 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.