



STATE PUBLIC WORKS BOARD

Gavin Newsom ■ Governor

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STATE PUBLIC WORKS BOARD

March 22, 2024

FINAL MINUTES

MEMBERS PRESENT:

Michele Perrault, Chief Deputy Director, for the Department of Finance
Jennifer Osborn, Chief Deputy Director, for the Department of General Services
Blake Fowler, Director of Public Finance, for the State Treasurer
David Oppenheim, Deputy Controller, for the State Controller
Tony Tavares, Director, Department of Transportation

MEMBERS ABSENT:

None

CALL TO ORDER AND ROLL CALL:

Michele Perrault, Chairperson of the State Public Works Board (Board), called the meeting to order at 9:01 a.m. Randy Katz, Deputy Director of the Board, called the roll. A quorum was established.

BOND ITEMS:

The first order of business was to consider one bond item.

Bond Item 1:

Raghda Nassar, Deputy Director of the Board, stated that the requested action would adopt a resolution to: (1) authorize the sale of State Public Works Board 2024 Series A and B lease revenue bonds, and (2) approve the form of various documents related to, and approve and authorize other related actions in connection with, the authorization, issuance, sale, and delivery of the bonds to finance the construction of the Sacramento Region: New Richards Boulevard Office Complex, also known as the May Lee State Office Complex, for the Department of General Services.

The project includes a new office campus on state property at the corner of Richards Boulevard and North Seventh Street in the City of Sacramento. The office complex consists of four, 7-story to 11-story office buildings with a multi-floor podium as the base for the buildings, a 7-level parking garage with 1,020 spaces and an additional surface parking lot with 400 spaces. The project also includes a cafeteria, auditorium, retail, café, training center and childcare. The complex would be Zero Net Energy, Zero Net Carbon and achieve a LEED Gold certification. Construction is expected to be completed by April 2024. Tenants would include the California Department of Tax and

Fee Administration, the Department of Housing and Community Development, the Civil Rights Department, the Commission on Teacher Credentialing, the Department of Financial Protection and Innovation, the Department of Real Estate, and the Department of Health Care Access and Information.

Concurrent with the issuance of the bonds, the department will enter into a site lease with the Board for the project, under which the Board will lease the site at which the project is located from the department. The Board will lease the respective facility to the department. The rental payments under the facility lease secure the payment of the principal and interest on the Board's bonds. The lease is scheduled to terminate in 25 years.

The 2024 Series A bonds would be sold as tax exempt, and the Series B bonds would be sold as taxable, through a negotiated sale as described in the Purchase Contract. The estimated total project costs to be financed are approximately \$1 billion, and the estimated "Not to Exceed" par amount of the 2024 Series A bonds is approximately \$886 million, and the estimated "Not to Exceed" par amount of the 2024 Series B bonds was approximately \$268 million.

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

A motion was made by Ms. Osborn and seconded by Mr. Tavares to approve consent item 1. The motion passed unanimously through a 5-0 roll-call vote (Ms. Perrault, Ms. Osborn, Mr. Fowler, Mr. Oppenheim, and Mr. Tavares all voting aye).

MINUTES:

None

CONSENT ITEMS:

None

ACTION ITEMS:

None

OTHER BUSINESS:

Ms. Perrault noted that there was no other business.

GENERAL PUBLIC COMMENT:

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

REPORTABLES:

None

NEXT MEETING:

Ms. Perrault stated that the next regularly scheduled Board meeting would be held on Friday, April 19, 2024, with the time and location of the meeting posted on the Board's website.

Ms. Perrault asked if there were any other questions or comments from the Board or from the public.

Josh Franco, Ph.D., Associate Professor at Cuyamaca College in San Diego County thanked the Board and indicated that he joined the meeting to demonstrate to students in his local government class how to communicate with a public Board. Dr. Franco indicated that he looks forward to corresponding with the Board in the future.

The meeting concluded at 9:06 am.