



STAFF ANALYSIS

STATE PUBLIC WORKS BOARD

Friday, August 9, 2024, at 10:00 a.m.

Redwood Room, 915 L Street, Sacramento, California

This meeting can also be accessed by the public through the following zoom link or phone number:

<https://us06web.zoom.us/j/81598105542?pwd=Mz3yBjRmPaK9016L2ulKFbTM364ma.1>

Meeting ID: 815 9810 5542

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Members of the Board will attend the meeting at the physical location identified above. The public may observe the meeting and address the Board in person, through the Zoom link, or via the telephone number identified above. If using the Zoom platform, please install the Zoom application and enter the virtual conference room prior to the meeting start time. Members of the public may also submit comments in advance of the meeting. If members of the public wish to submit comments, the Board asks members of the public to provide written comments to Angela.Noland@dof.ca.gov prior to the meeting. To the extent possible, all written comments will be distributed to the members of the Board prior to the meeting.

Pursuant to section 11125 of the Government Code, notice of all Board meetings will be given at least ten days in advance and such notice must include a copy of the agenda. Members of the public may address the Board prior to it taking action on any matter in the agenda. This notice and the Board agenda for the current month are available on the State Public Works Board website. [Please click here to view](#). The full Board member briefing package is available upon request. Please send an email to Angela.Noland@dof.ca.gov. Individuals who need disability-related accommodation, including auxiliary aids for effective participation at this public meeting are invited to make their requests and preferences known to Raghda Nassar at (916) 445-9694 or e-mail to Angela.Noland@dof.ca.gov, five days prior to the meeting.

BOND ITEMS

BOND ITEM—1

**CALIFORNIA HIGHWAY PATROL (2720)
SAN BERNARDINO AREA OFFICE REPLACEMENT
SAN BERNARDINO COUNTY**

*Authority: 2016 Budget Act, 2720-301-0044 (5)
2019 Budget Act, 2720-301-0044 (4)
2019 Budget Act, 2720-301-0660 (3)
2022 Budget Act, 2720-301-0660 (1)
2023 Budget Act, 2720-301-0660 (4)*

Consider adoption of an amended and restated resolution to:

- 1) Update the reference to the law authoring the bond financing of this project.**
- 2) Authorize actions to be taken to provide for interim financing and declare the official intent of the Board to reimburse certain capital expenditures from the Public Buildings Construction Fund from the proceeds of the sale of bonds.**
- 3) Authorize the sale of lease revenue bonds.**
- 4) Authorize and direct the Executive and Deputy Directors to take any and all such actions and to execute and delivery any documents as may be necessary to carry out the purpose of this resolution.**

Total Bond Authority

\$76,299,000

STAFF ANALYSIS ITEM—1

California Highway Patrol
San Bernardino Area Office Replacement
San Bernardino County

Action Requested

If approved, the requested action would adopt a resolution authorizing actions to provide for interim financing, authorize the sale of lease revenue bonds, approve the form of and authorize the execution and delivery of an amended Project Delivery Agreement, and other related actions.

Background

On August 16, 2019, the Board approved an action to adopt a Resolution and related documents for this project. Since then, the original contractor was released and paid for work completed. DGS secured additional authority to continue the project in the 2022 and 2023 Budget Acts and will be able to award the design-build contract to a new firm upon receipt of an amended resolution and related documents.

Scope Description

This project is within scope. The authorized scope of the California Highway Patrol (CHP) San Bernardino Area Office Replacement project includes a 5.5-acre site to construct a 43,552 net square feet single story main building with attached auto service bays built to Essential Services Standards. The project includes public parking for the main building and secured covered parking for patrol vehicles. Additional site improvements include fencing, flagpole, fuel island canopy, emergency generator, communication tower, landscaping and utilities.

Funding and Cost Verification

This project is within cost. The 2016 Budget Act provided \$5,369,000 Motor Vehicle Account (MVA) for the acquisition and performance criteria phase. The 2019 Budget Act provided \$445,000 MVA to supplement the performance criteria phase and an augmentation of \$779,000 was approved for the performance criteria phase in 2022. The 2019 Budget Act also provided \$41,981,000 Public Buildings Construction Fund for the design-build phase. Of that total, \$407,000 for agency retained reverted. The 2022 and 2023 Budget Acts provided an additional \$34,724,000 Public Buildings Construction Fund for the design-build phase, bringing overall funding for the design-build phase to \$76,299,000.

\$82,891,000	Total authorized project costs
\$81,880,000	Total estimated project costs
\$47,156,000	Project costs previously allocated: \$3,684,000 for acquisition, \$1,898,000 for performance criteria, and \$41,574,000 for design-build (\$34,749,400 contract, \$1,042,000 contingency, \$2,118,000 A&E, \$3,665,000 other project costs)
\$34,724,000	Project costs to be allocated: \$34,724,000 design-build (\$27,432,000 contract, \$1,042,000 contingency, \$1,389,000 A&E, \$4,454,000 other project costs, and \$407,000 agency retained)
\$1,011,000	Project savings: \$183,000 acquisition and \$828,000 performance criteria

CEQA

The California Highway Patrol filed a Notice of Determination with the State Clearinghouse on May 23, 2018, and the 35-day statute of limitations expired without challenge. On June 26, 2023, the Department of General Services confirmed no additional action is necessary under CEQA.

Real Estate Due Diligence

A Summary of Conditions Letter for this project was completed by the Department of General Services on July 31, 2019, and no issues that would adversely affect the beneficial use and quiet enjoyment of the project were identified.

Project Schedule

Approve performance criteria	July 2018
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Start design-build
Complete design-build

September 2024
April 2027

Staff Recommendation: Adopt amended and restated resolution.

BOND ITEM—2

DEPARTMENT OF STATE HOSPITALS (4440)
METROPOLITAN: CENTRAL UTILITY PLANT REPLACEMENT
LOS ANGELES COUNTY

Authority: 2022 Budget Act, 4440-301-0001 (2)
2024 Budget Act, 4440-301-0660 (1)

Consider adoption of a resolution to:

- 1) Authorize actions to be taken to provide for interim financing and declare the official intent of the Board to reimburse certain capital expenditures from the Public Buildings Construction Fund from the proceeds of the sale of bonds.
- 2) Authorize the sale of lease revenue bonds.
- 3) Approve the form of and authorize the execution and delivery of a Project Delivery Agreement between the Department of General Services, on behalf of the Department of State Hospitals, and the Board.
- 4) Authorize and direct the Executive Director and Deputy Directors to take any and all such actions and to execute and deliver any documents as may be necessary to carry out the purpose of this resolution.

Total Bond Authority

\$52,308,000

STAFF ANALYSIS—2

Department of State Hospitals
Metropolitan: Central Utility Plant Replacement
Los Angeles County

Action Requested

If approved, the requested action would adopt a resolution authorizing actions 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.

Scope Description

This project is within scope. This project includes the replacement of the existing Central Utility Plant (CUP) located at Metropolitan State Hospital. The project scope includes the demolition of the existing chilled water storage tank and cooling tower; addition of new chillers, boilers, pumps; and controls at the central plant, and new

pipng for hot water. New boilers will be added to the Clinical Administration Building and Central Kitchen, and chilled water piping will be retained and reused.

Funding and Project Cost Verification

This project is within cost. The 2022 Budget Act provided \$1,835,000 for preliminary plans and the 2024 Budget Act provided \$1,863,000 for working drawings and \$50,445,000 for construction.

\$54,143,000	Total authorized project cost
\$54,143,000	Total estimated project cost
\$1,835,000	Project costs previously allocated: \$1,835,000 for preliminary plans
\$52,308,000	Project costs to be allocated: \$1,863,000 for working drawings and \$50,445,000 for construction (\$42,145,000 contract, \$2,950,000 contingency, \$3,047,000 A&E, \$2,303,000 other project costs)

CEQA

The Department of State Hospitals filed a Notice of Exemption with the State Clearinghouse on April 27, 2023, and the 35-day statute of limitations expired without challenge.

Due Diligence

The Department of General Services, on behalf of the DSH, anticipates completing a Summary of Conditions letter for this project by completion of the working drawings phase in March 2025. The Summary of Conditions letter is expected to indicate no issues identified that would adversely affect the beneficial use and quiet enjoyment of the project. In the event of an issue, the Department of Finance will not authorize this project to proceed to bid until it has concluded that real estate due diligence is satisfactorily resolved.

Project Schedule

Approve preliminary plans	August 2024
Complete working drawings	September 2025
Start construction	July 2026
Complete construction	July 2028

Staff Recommendation: **Adopt resolution.**

BOND ITEM—3

**BOARD OF STATE AND COMMUNITY CORRECTIONS (5227)
ADULT LOCAL CRIMINAL JUSTICE FACILITIES PROJECT
NAPA COUNTY**

Authority: Government Code sections 15820.92 - 15820.926 (SB 1022)

Consider adoption of a resolution to:

- 1) Authorize defeasance and redemption of the portion of the outstanding Series 2020B Bonds which financed certain costs of the Napa County SB 1022 Adult Local Criminal Justice Facility, conditioned on the receipt of money from the County necessary to pay all costs associated with the defeasance and redemption and all costs incurred with respect to the financing of the Napa Facility through the Bonds.
- 2) Approve the form of Escrow Agreement, by and between the Board and the State Treasurer.
- 3) Approve the form of Termination Agreement, by and among the Board, the Department, and the County of Napa.
- 4) Authorize the Executive Director and Deputy Directors to determine the amount of County Funds necessary to pay all costs associated with the defeasance and redemption and all costs incurred with respect to the financing of the Napa Facility through the Bonds.
- 5) Authorize and direct the Executive Director and Deputy Directors to take any and all actions and to execute and deliver any and all certificates, agreements, notices, or other documents (including, without limitation, a tax certificate) which such officer may deem necessary or advisable in order to effectuate the purposes of this resolution.

Total Bond Allocation

\$13,474,000

STAFF ANALYSIS ITEM—3

Board of State and Community Corrections
Adult Local Criminal Justice Facilities Project
Napa County

Action Requested

If approved, the requested action would approve adoption of a resolution to authorize defeasance and redemption of the portion of the outstanding Series 2020B Bonds, which financed certain costs of the Napa County SB 1022 Adult Local Criminal Justice Facility, conditioned on the receipt of money from the County of Napa necessary to pay all costs associated with the defeasance and redemption and all costs incurred with respect to the financing of the Napa County SB 1022 Adult Local Criminal Justice Facility through the Series 2020B Bonds; approve the form of Escrow Agreement, by and between the Board and the State Treasurer; approve the form of Termination Agreement, by and among the Board, the Department, and the County of Napa; authorize the Executive Director and Deputy Directors to determine the amount of funds to be provided by the County of Napa necessary to pay all costs associated with the defeasance and redemption and all costs incurred with respect to the financing of the Napa County SB 1022 Adult Local Criminal Justice Facility through the Series 2020B Bonds; and authorize and direct the Executive Director and Deputy Directors to take

any and all actions and to execute and deliver any and all certificates, agreements, notices, or other documents (including, without limitation, a tax certificate and written requests and certificates to the State Treasurer), which such officer may deem necessary or advisable in order to effectuate the purposes of the resolution.

Background

In April 2020, the State Public Works Board issued its Series 2020B Bonds. A portion of the proceeds of the Series 2020B Bonds financed certain costs of the Napa County SB 1022 Adult Local Criminal Justice Facility (the "Napa County Jail Project"). Base rental paid with respect to the Napa County Jail Project is applied to pay debt service on a portion of the Series 2020B Bonds.

This project consisted of the design and construction of a 72-bed facility with approximately 23,000 square feet (sf) of additional new housing and essential program space on approximately 4.5 acres of approximately 30 acres of county-owned land.

The jail expansion included construction of four housing units and one administration building connected by a secure corridor, central control, and administrative support space in a single building of approximately 23,000 square feet. Housing units contain 18-bed dorms on a single level. Each housing unit has a separate dayroom, showers, toilet area, laundry, food service, and rec-yard, along with rooms for mechanical equipment, janitor supplies, and general storage. A housing control booth oversees each housing unit. Administrative space also contains spaces intended to be shared by each housing unit, including two general purpose program/visitation rooms, three counseling rooms, and a computer lab.

The project included, but was not limited to, electrical; plumbing; mechanical; computerized heating, ventilation, and air conditioning; security; staff and visitor parking; area of refuge and pathways; fire protection systems; fencing; and additional staff and visitor parking.

After the sale of the Series 2020B Bonds, the County of Napa (the "County") assessed their in-custody population and determined that they do not have an adequate number of inmates that would be at the appropriate classification level to safely house at this facility. In addition, during the COVID-19 pandemic, the County experienced an increase in the County's homeless population, which caused the County to enter into several ongoing Consent Agreements with the State Public Works Board and Board of State and Community Corrections to temporarily use the facility for housing people in a non-secure facility and for purposes other than as an adult local criminal justice facility. Since the County no longer anticipates needing to use the facility as an adult local criminal justice facility, the County has requested to defease a portion of the Series 2020B Bonds in order to permanently use the Napa County Jail Project for purposes other than as an adult local criminal justice facility.

To accomplish the defeasance, the County would be required to fund an amount sufficient to pay principal and interest on the portion of the Series 2020B Bonds which financed the Napa County Jail Project, through and including the first optional redemption date of the Series 2020B Bonds, which is March 1, 2030. The remaining outstanding portion of the Series 2020B Bonds issued to finance the Napa County Jail Project would be redeemed on such date. In addition, the County would be required

to pay for all costs related to the financing of the Napa County Jail Project through the Series 2020B Bonds, including, but not limited to, past rental payments, insurance, and cost of the Board's outside bond counsel and advisors.

This action will authorize the execution of the documents necessary to accomplish the defeasance, subject to the Napa Board of Supervisor's approval, and the State's receipt, of all amounts necessary to pay the cost of defeasance as described above.

The following is the outstanding principal amount of the Series 2020B Bonds which must be redeemed/defeased to release the Napa County Jail Project from the financing documents:

2020 Series B (Various Capital Projects)	\$13,474,000
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Staff Recommendation: **Adopt resolution.**

MINUTES

Consider approving the minutes from the July 12, 2024, meeting.

Staff have reviewed the minutes from the July 12, 2024, meeting and recommend approval.

Staff Recommendation: **Approve minutes from the July 12, 2024, meeting.**

CONSENT CALENDAR A

CONSENT ITEM—1

**DEPARTMENT OF FORESTRY AND FIRE PROTECTION (3540)
ALMADEN FIRE STATION
SANTA CLARA COUNTY**

Authority: *Ch. 38, Statutes of 2023, Item 3540-301-0001(3)a*

Consider:

- 1) Authorizing acquisition of real property through the exercise of an option to purchase and the execution of a purchase agreement by the Executive Director or a Deputy Director in substantially the form presented to the Board.**
- 2) Authorizing the Executive Director and Deputy Directors to take any and all actions to execute and deliver all other documents, certificates, or agreements, which the Executive Director or a Deputy Director may deem necessary or advisable in order to effectuate the acquisition.**

STAFF ANALYSIS ITEM—1

Department of Forestry and Fire Protection
Almaden Fire Station
Santa Clara County

ITEM PULLED

CONSENT CALENDAR B

CONSENT ITEM—1

DEPARTMENT OF STATE HOSPITALS (4440)
METROPOLITAN: CENTRAL UTILITY PLANT REPLACEMENT
LOS ANGELES COUNTY

Authority: 2022 Budget Act, 4440-301-0001 (2)
2024 Budget Act, 4440-301-0660 (1)

Consider approving preliminary plans.

STAFF ANALYSIS ITEM—1

Department of State Hospitals
Metropolitan: Central Utility Plant Replacement
Los Angeles County

Action Requested

If approved, the requested action would approve preliminary plans.

Scope Description

This project is within scope. This project includes the replacement of the existing Central Utility Plant (CUP) located at Metropolitan State Hospital. The project scope includes the demolition of the existing chilled water storage tank and cooling tower; addition of new chillers, boilers, pumps; and controls at the central plant, and new piping for hot water. New boilers will be added to the Clinical Administration Building and Central Kitchen, and chilled water piping will be retained and reused.

Funding and Project Cost Verification

This project is within cost. The 2022 Budget Act provided \$1,835,000 for preliminary plans and the 2024 Budget Act provided \$1,863,000 for working drawings and \$50,445,000 for construction.

\$54,143,000	Total authorized project cost
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\$1,835,000 Project costs previously allocated: \$1,835,000 for preliminary plans

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CEQA

The Department of State Hospitals filed a Notice of Exemption with the State Clearinghouse on April 27, 2023, and the 35-day statute of limitations expired without challenge.

Real Estate Due Diligence

The Department of General Services, on behalf of the DSH, anticipates completing a Summary of Conditions letter for this project by completion of the working drawings phase in March 2025. The Summary of Conditions letter is expected to indicate no issues identified that would adversely affect the beneficial use and quiet enjoyment of the project. In the event of an issue, the Department of Finance will not authorize this project to proceed to bid until it has concluded that real estate due diligence is satisfactorily resolved.

Project Schedule

Approve preliminary plans	August 2024
Complete working drawings	May 2025
Start construction	July 2025
Complete construction	July 2027

Staff Recommendation:

Approve preliminary plans.

ACTION ITEMS

ACTION ITEM—1

HIGH-SPEED RAIL AUTHORITY (2665) MERCED TO BAKERSFIELD SEGMENT KINGS COUNTY

*Authority: 2012 Budget Act, 2665-306-0890 (1), as reappropriated by the 2018 and 2021 Budget Acts
2012 Budget Act, 2665-306-6043 (1), as reappropriated by the 2018 Budget Act
2014 Budget Act, 2665-306-3228 (1),
2021 Budget Act, 2665-301-6043 (1),
2024 Budget Act, 2665-301-9332 (1)
Section 39719(b) (2) of the Health and Safety Code*

Consider the adoption of a Resolution of Necessity authorizing the use of eminent domain by the High-Speed Rail Authority to acquire the following property or interests in property for the High-Speed Train System:

1. Bettencourt Property (Kings County)

Authority Parcel Numbers: FB-16-1146-1, FB-16-1146-2, FB-16-1146-3, FB-16-1147-1, FB-16-1147-2, FB-16-1147-3, FB-16-1148-1, and FB-16-1148-2
Assessor Parcel Numbers: 002-190-030, 002-190-032, and 014-020-028

STAFF ANALYSIS ITEM—1

High-Speed Rail Authority
Merced to Bakersfield Segment
Kings County

Action Requested

Adopt Resolution 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.

Background

Under California Eminent Domain Law, the Board is the governing body of the High-Speed Rail Authority (Authority) for purposes of adopting Resolutions of Necessity that are required for the Authority to initiate eminent domain proceedings. To adopt a Resolution of Necessity the Board must consider that the following conditions have been met:

- (A) The public interest and necessity require the project;
- (B) The project is planned or located in the manner that will be most compatible with the greatest public good and the least private injury;
- (C) The property sought to be acquired is necessary for the project; and,
- (D) The offer required by Government Code section 7267.2 has been made to the owner or owners of record.

The properties are within the right of way for the 171-mile Merced to Bakersfield Segment and are within the preferred alignment as previously approved by both the High-Speed Rail Authority Board of Directors and the Federal Railroad Administration. Acquisition of these properties will allow the Authority to move forward with construction of the High-Speed Train System (HSTS).

The Authority notified the Board's staff that in March 2024, the respective property owner was provided with a first written offer to purchase the subject property, as required by Government Code section 7267.2. The Authority has informed the Board's staff that negotiations to acquire the property are continuing; however, to keep the project on schedule, the adoption of a Resolution of Necessity to authorize the use of eminent domain is required at this time.

On July 24, 2024, a Notice of Intent to adopt a Resolution of Necessity was mailed by Board staff to the owner. These notices were sent in accordance with Code of Civil Procedure section 1245.235.

Property Specific Information:

1. Bettencourt Property (Kings County)

Authority Parcel Numbers: FB-16-1146-1, FB-16-1146-2, FB-16-1146-3, FB-16-1147-1, FB-16-1147-2, FB-16-1147-3, FB-16-1148-1, and FB-16-1148-2

Assessor Parcel Numbers: 002-190-030, 002-190-032, and 014-020-028

Partial Acquisition: Approximately 2.03 acre in easement. The property interest identified by the Authority Parcel Number is needed for temporary construction easements near the Excelsior Avenue grade separation.

Staff Recommendation: Adopt Resolution of Necessity.

OTHER BUSINESS

NONE

GENERAL PUBLIC COMMENT

REPORTABLES

REPORTABLE ITEMS

For the August 9, 2024, Board Meeting

Actions Authorized by Staff from July 2, 2024, through July 26, 2024

As Authorized by Resolution of the Board dated December 13, 2019

Department/Org Code	Project Title/County	Project Authority	Action	Amount/(Percent)
Department of Forestry and Fire Protection (3540)	Almaden Fire Station Santa Clara County	<i>Ch. 38, Statutes of 2023, Item 3540-301-0001(3)a</i>	Approve site selection	
Department of Parks and Recreation (3790)	Ocotillo Wells SVRA: Auto Shop Add San Diego County	<i>2018 Budget Act, 3790-301-0263 (6) 2021 Budget Act, 3790-301-0263 (3) 2022 Budget Act, 3790-301-0263 (7)</i>	Approve Augmentation	\$95,000 5 percent of total project appropriations 5 percent cumulative
Board of State and Community Corrections (5227)	Adult Local Criminal Justice Facilities Project Placer County	<i>Sections 15820.93 - 15820.936 of the Government Code (SB 863)</i>	Recognize revised project costs	\$22,585,000 total authorized project costs Increase of \$4,320,000 state costs Decrease of \$4,320,000 local costs