



# **STAFF ANALYSIS**

## **STATE PUBLIC WORKS BOARD**

*Friday, October 4, 2024, at 10:00 a.m.*

*1021 O Street, Room 2100, Sacramento, California*

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

<https://us06web.zoom.us/j/83772833847?pwd=nrRrKxISZ4aDIUT1mnOoEhpUkUieQu.1>

**Meeting ID:** 837 7283 3847

**Passcode:** NbGjA\$0y

**By Phone:** 1 669 219 2599

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**Passcode:** 10868883

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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](mailto: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](mailto: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](mailto:Angela.Noland@dof.ca.gov), five days prior to the meeting.

# **BOND ITEMS**

## **BOND ITEM—1**

**JUDICIAL COUNCIL (0250)**

**DEPARTMENT OF CORRECTIONS AND REHABILITATION (5225)**

**BOARD OF STATE AND COMMUNITY CORRECTIONS (5227)**

**2024 SERIES D (TAX EXEMPT) AND E (TAXABLE), LEASE REVENUE BONDS**

**VARIOUS CAPITAL PROJECTS**

Project: Menifee Justice Center  
Location: 27401 Town Center Drive, Menifee, CA 92584  
Authority: The Budget Act of 2020, as reappropriated by the Budget Act of 2022

Project: Yuba Juvenile Project  
Location: 938 14th St., Marysville, CA 95901  
Authority: Welfare and Institutions Code Sections 1970 through 1976 (SB 81)

Project: Orange Jail Project  
Location: 13420 Alton Parkway, Irvine, CA 92618  
Authority: Government Code Sections 15820.91 through 15820.91 (AB 900, Phase 2)  
Welfare and Institutions Code Sections 1970 through 1978 (SB 1022)

Project: Kings Juvenile Project  
Location: 690 East Drive, Hanford, CA 93230  
Authority: Welfare and Institutions Code Sections 1970 through 1976 (SB 81)

Project: Plumas Jail Project  
Location: 56 Abernethy Lane, Quincy, CA 95971  
Authority: Government Code Sections 15820.94 through 15820.946 (SB 844)

**Consider adoption of a resolution to:**

- 1) Authorize the sale of the State Public Works Board lease revenue bonds to finance and refinance the costs of the construction related to various projects for the Judicial Council, the Department of Corrections and Rehabilitation, and the Board of State and Community Corrections.**
- 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 said lease revenue bonds.**

<b>Estimated Project Costs to be Financed</b>	<b>\$310,000,000</b>
<b>Estimated Par Value of Bonds to be issued</b>	<b>\$263,000,000</b>
<b>Estimated "Not to Exceed" Par Amount</b>	<b>\$319,000,000</b>

# STAFF ANALYSIS ITEM—1

Judicial Council (0250)  
Department of Corrections and Rehabilitation (5225)  
Board of State and Community Corrections (5227)  
2024 Series D (Tax Exempt) and E (Taxable), Lease Revenue Bonds  
Various Capital Projects

## Action Requested

**If approved, the requested action would authorize the sale of the 2024 Series D and E lease revenue bonds and approve the form of various documents related to and approve and authorize other related actions in connection with, the issuance, sale, and delivery of said revenue bonds.**

## Background

The Budget Act of 2020, as reappropriated by the Budget Act of 2022 authorized the Board to issue bonds to fund the construction of the **Menifee Justice Center, for the Judicial Council**. The project includes the construction of a new nine-courtroom courthouse of approximately 85,000 square feet in the City of Menifee, in Riverside County. The total project cost is \$80,179,000, all of which will be financed with the 2024 Series D bonds.

Welfare and Institutions Code Sections 1970 through 1976 (SB 81) authorized the Board to issue bonds to fund the construction of the **Yuba Juvenile Project, for the Department of Corrections and Rehabilitation**. This project includes housing units, two recreation yards, a satellite kitchen, classrooms, and various programming, therapy, and administrative spaces to provide services to youth from Yuba, Sutter, and Colusa counties. The total project cost is \$22,219,000, of which \$15,256,000 will be financed with the 2024 Series D bonds.

Government Code Sections 15820.91 through 15820.91 (AB 900, Phase 2) and Welfare and Institutions Code Sections 1970 through 1978 (SB 1022) authorized the Board to issue bonds to fund the construction of the **Orange Jail Project, for the Department of Corrections and Rehabilitation**. This project includes five buildings that provide housing, treatment, and administrative space for the detention of minimum to medium security incarcerated individuals. The total project cost is \$225,538,000, of which \$180,000,000 will be financed with the 2024 Series D and Series E bonds.

Welfare and Institutions Code Sections 1970 through 1976 (SB 81) authorized the Board to issue bonds to fund the construction of the **Kings Juvenile Project, for the Department of Corrections and Rehabilitation**. This project includes facility improvements of housing, medical space, a control station, bathrooms for ADA compliance, and a vehicle sally port, as well as construction of programming and classroom space, a day reporting center, and areas for booking and intake for the housing of all youth including Secure Track Youth. The total project cost is \$12,383,000, of which \$9,600,000 will be financed with the 2024 Series D bonds.

Government Code sections 15820.94 through 15820.946 (SB 844) authorized the Board to issue bonds to finance a portion of the cost of the design and construction of certain local jail facilities. This action would authorize the sale of lease revenue bonds, in part,

to provide funds to finance and refinance, on behalf of the **Board of State and Community Corrections (BSCC)**, a portion of the costs for the design and construction of the **Plumas Jail Project**. This project includes the design and construction a new, 22,000 square foot stand-alone jail facility in the unincorporated town of Quincy. The total project cost is \$25,530,000, of which \$25,000,000 will be financed with the 2024 Series D bonds.

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, for the jail/juvenile projects, with the consent of the Board, the participating department will enter into facility subleases with each respective county for the county's use, operation, and maintenance of the projects.

The leases for the CDCR and BSCC projects are scheduled to terminate at the end of 15 years. Upon termination, the projects will be owned by the respective counties. The bonds are scheduled to be fully paid and the leases for the Judicial Council and CDCR projects are scheduled to terminate in 25 years.

The 2024 Series D bonds will be sold as tax exempt, and the Series E bonds will be sold as taxable, through a competitive sale on the basis described in the form of Notice of Sale. Since some project costs were incurred over three years ago, a taxable series is required to be issued, pursuant to Internal Revenue Service tax rules that prohibit the use of tax-exempt bond proceeds to reimburse such costs.

#### Projects

The 2024 Series D and E bonds will finance the projects identified above, which are more specifically described in Appendix B of the Preliminary Official Statement.

**Staff Recommendation:**                      **Adopt the resolution.**

## **MINUTES**

Consider approving the minutes from the September 13, 2024, meeting.

Staff have reviewed the minutes from the September 13, 2024, meeting and recommend approval.

**Staff Recommendation:**                      **Approve minutes from the September 13, 2024, meeting.**

# CONSENT ITEMS

## CONSENT ITEM—1

DEPARTMENT OF CORRECTIONS AND REHABILITATION (5225)  
CENTRAL CALIFORNIA WOMEN'S FACILITY – HEALTH CARE FACILITY IMPROVEMENT  
PROGRAM  
MADERA COUNTY

Authority: Sections 15819.40 (b) and (c) and 15819.401-15819.404 of the Government  
Code  
2021 Budget Act, 5225-301-0001 (16)  
2022 Budget Act, 5225-301-0001 (16)  
2023 Budget Act, 5225-301-0001 (6)

### Consider Recognizing:

- 1) A scope change.
- 2) Revised project costs.

## STAFF ANALYSIS ITEM—1

Department of Corrections and Rehabilitation  
Central California Women's Facility – Health Care Facility Improvement Program  
Madera County

### Action Requested

**If approved, the requested action will recognize a scope change and revised project costs.**

### Scope Description

**This project is not within scope.** The Health Care Facility Improvement Program (HCFIP) project at Central California Women's Facility (CCWF) will support CCWF's operation as a Reception Center (RC) institution as part of the California Department of Corrections and Rehabilitation (CDCR) HCFIP strategy to address statewide prison health care system deficiencies. The purpose of the health care facility improvements at CCWF is to remedy deficiencies in primary care, specialty care, pharmacy, laboratory, and RC health care intake screening.

The CCWF HCFIP project includes five Sub Projects (SP). The current scope for two of the five SPs – specifically, SP 1.2.2 and SP 3.2 – will result in significant delays and additional costs for the planned renovations. To mitigate these issues, CDCR evaluated the remaining scope of work and determined that portions of the remaining renovations are not needed, allowing CDCR to modify the scope while maintaining the project's original intent of providing an appropriate level of health care services. Proposed modifications to both SP 1.2.2 and SP 3.2 are detailed as follows:

- SP 1.2.2: CDCR has determined that the renovations to nurses' room 116 are unnecessary as the current configuration meets the needs of the program. The scope change includes the removal of the remaining renovation work. This includes partition demolition; installation of a fire-rated partition; and minor modifications to existing mechanical, electrical, and plumbing that would have occurred as a result of the new partition.
- SP 3.2: CDCR has determined that the extent of the planned renovations of the existing Facility A Primary Care Clinic are not necessary to meet program needs. As part of the scope change for SP 3.2, the planned demolition and reconfiguration of multiple rooms will be reduced to the modification of two existing walls and the repurposing of existing rooms to address necessary health care services. This includes minor modifications to the mechanical, electrical/telecom, plumbing, fire alarm, fire sprinkler, and finishes to accommodate required furnishings, fixtures, and equipment.

On September 13, 2024, the Department of Finance notified the Chairs of the Joint Legislative Budget Committee and the fiscal committees in each house of its intent to approve the scope change and recommend that the Board recognize this action no sooner than 20 days from that date.

Funding and Cost Verification

**This project is not within cost.** The total project cost is \$53,492,000 (\$28,943,000 General Fund) and was established on May 10, 2013, which is composed of:

- \$24,549,000 lease revenue bond financing authority approved through Government Code sections 15819.40, subdivisions (b) and (c) and 15819.401 through 15819.404 and
- \$28,943,000 General Fund through the 2021 Budget Act (Chapters 21, 43, 69, 84, and 240, Statutes of 2021), the 2022 Budget Act (Chapters 43, 45, and 249, Statutes of 2022), and the 2023 Budget Act (Chapters 12, 38, 189, and 862, Statutes of 2023).

The estimated cost savings of \$182,000 associated with the scope reductions are offset by needed appropriation authority of \$665,000 for the extended schedule driven by construction phasing revisions to address swing space limitations. Based on the revised estimate and cost savings, the total project costs have increased by a net of \$483,000 as a result of increased Inmate/Ward Labor staff, casual labor, construction inspections, and guarding costs due to increased schedule duration. Pursuant to Provision 3 of Item 5225-301-0001 of the 2022 Budget Act, \$483,000 will be transferred from the excess authority in California Substance Abuse Treatment Facility, Corcoran to CCWF in order to complete this project.

A revised cost estimate was prepared in association with a scope change. Based on this new estimate, the total estimated project costs for CCWF HCFIP is \$53,975,000 (\$29,426,000 General Fund).

CCWF HCFIP:

\$53,492,000	Total authorized project costs
\$53,975,000	Total estimated project costs

\$53,492,000	Project costs previously allocated: \$595,000 for preliminary plans, \$705,000 for working drawings, and \$52,192,000 for construction (\$43,545,000 contract, \$2,429,000 contingency, \$1,385,000 A/E, \$2,706,000 other project costs, and \$2,127,000 agency retained)
\$483,000	Project cost adjustments: an increase of \$483,000 for construction (a decrease of \$954,000 for contract, an increase of \$125,000 for contingency, \$940,000 for A/E, \$362,000 for other project costs, and \$10,000 for agency retained)

CEQA

CDCR filed a Notice of Exemption with State Clearinghouse on July 9, 2013, and the 35-day statute of limitations expired without challenge. On September 18, 2024, CDCR confirmed no additional action is necessary under CEQA.

Real Estate Due Diligence

The Department of General Services, on behalf of CDCR, completed a Summary of Conditions Letter for this project on July 9, 2013, and no issues that would adversely affect the beneficial use and quiet enjoyment of the project were identified. On September 18, 2024, CDCR confirmed the Summary of Conditions Letter is still valid.

Project Schedule

Approve preliminary plans	April 2014
Complete working drawings	April 2015
Start construction	August 2015
Complete construction	December 2025

**Staff Recommendation:** Recognize a scope change and revised project costs.

# **ACTION ITEMS**

## **ACTION ITEM—1**

**HIGH-SPEED RAIL AUTHORITY (2665)  
MERCED TO BAKERSFIELD SEGMENT  
VARIOUS COUNTIES**

*Authority:* 2012 Budget Act, Item 2665-306-0890 (1), as reappropriated by the 2018 and 2021 Budget Acts  
2012 Budget Act, Item 2665-306-6043 (1), as reappropriated by the 2018 Budget Act  
2014 Budget Act, Item 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  
Section 39719.1 of the Health and Safety Code  
Section 15854 of the Government Code

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

- 1. Sharma Property (Kern County)**  
**Authority Parcel Number: FB-15-0635-1**  
**Assessor Parcel Number: 047-220-45**
  
- 2. Ipatzi Property (Kern County)**  
**Authority Parcel Number: FB-15-0636-1**  
**Assessor Parcel Number: 047-220-43 (formerly designated as 047-220-37)**
  
- 3. Roeding Property (Fresno County)**  
**Authority Parcel Number: FB-10-1826-1**  
**Assessor Parcel Number: None**

## **STAFF ANALYSIS ITEM—1**

High-Speed Rail Authority  
Merced to Bakersfield Segment  
Various Counties

### Action Requested

**Adopt Resolutions of Necessity authorizing the use of eminent domain by the High-Speed Rail Authority to acquire properties or interests in property 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 or the offer has not been made because the owner cannot be located with reasonable diligence.

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 for Properties 1 and 2, on November 2023 the respective property owners were provided with a first written offer to purchase the subject properties, as required by Government Code section 7267.2. The Authority has informed the Board's staff that negotiations to acquire the properties are continuing; however, to keep the project on schedule, the adoption of Resolutions of Necessity to authorize the use of eminent domain is required at this time. For Property 3, 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 September 12, 2024, Notices of Intent to adopt a Resolution of Necessity were mailed by Board staff to the owners. The Notice of Intent for Property 3 was posted at the property boundary. These notices were sent in accordance with Code of Civil Procedure section 1245.235.

**Property Specific Information:**

**1. Sharma Property (Kern County)**

**Authority Parcel Number: FB-15-0635-1**

**Assessor Parcel Number: 047-220-45**

Partial Acquisition: Approximately 0.13 acre in easement

The property interests identified by the Authority Parcel Number are needed to provide the Semitropic Water Storage District an access road south of Woollomes Road in Wasco on the east side of the corridor.

**2. Ipatzi Property (Kern County)**

**Authority Parcel Number: FB-15-0636-1**

**Assessor Parcel Number: 047-220-43 (formerly designated as 047-220-37)**

Partial Acquisition: Approximately 0.89 acre in easement

The property interests identified by the Authority Parcel Number are needed to provide the Semitropic Water Storage District an access road south of Woollomes Road in Wasco on the east side of the corridor.

**3. Roeding Property (Fresno County)**

**Authority Parcel Number: FB-10-1826-1**

**Assessor Parcel Number: None**

Full Acquisition: Approximately 0.04 acre in fee

The property interests identified by the Authority Parcel Number are underlying fee needed for the realignment of Belmont Avenue, near Belmont Circle.

**Staff Recommendation:**

**Adopt Resolutions of Necessity authorizing the use of eminent domain by the Authority to acquire the above-described properties or interests in property for the HSTS.**

**OTHER BUSINESS**

NONE

**GENERAL PUBLIC COMMENT**

# REPORTABLES

## REPORTABLE ITEMS

For the October 4, 2024, Board Meeting

Actions Authorized by Staff from August 31, 2024, through September 22, 2024

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

Department/Org Code	Project Title/County	Project Authority	Action	Amount/(Percent)
Judicial Council of California (0250)	New Solano Hall of Justice Solano County	<i>2022 Budget Act, 0250-301-0001 (5)</i>	Approve site selection	
California Highway Patrol (2720)	El Centro: Area Office Replacement Imperial County	<i>2016 Budget Act, 2720-301-0044 (2)</i> <i>2019 Budget Act, 2720-301-0044 (2)</i> <i>2019 Budget Act, 2720-301-0660 (1) as reappropriated pursuant to the provisions of Section 20.00, Budget Act of 2022</i>	Approve augmentation	\$1,303,000  (2.8 percent of total project appropriations)
Department of Corrections and Rehabilitation (5225)	Kings County Juvenile Project  Kings County	<i>Sections 1970 – 1978 of the Welfare and Institutions Code (SB 81)</i>	Recognize revised project costs	\$20,112,000 total authorized project costs  Increase of \$632,000 local costs
Department of Corrections and Rehabilitation (5225)	Juvenile Project Monterey County	<i>Sections 1970 – 1978 of the Welfare and Institutions Code (SB 81)</i>	Recognize revised project costs	\$59,478,000 total authorized project costs  Increase of \$6,666,000 local costs

Department/Org Code	Project Title/County	Project Authority	Action	Amount/(Percent)
Board of State and Community Corrections (5227)	Adult Local Criminal Justice Facilities Project  Ventura County	<i>Sections 1970 – 1978 of the Welfare and Institutions Code (SB 81)</i>	Recognize revised project costs	\$61,373,000 total authorized project costs  Decrease of \$103,000 local costs
California Community Colleges (6870)	Peralta Community College District, College of Alameda: Aviation Complex Replacement  Alameda County	<i>2020 Budget Act, 6870-301-6087(41) as reappropriated by the 2023 Budget Act, Control Section 20</i>	Approve preliminary plans	