



# STATE PUBLIC WORKS BOARD

Gavin Newsom ■ Governor

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## STATE PUBLIC WORKS BOARD

October 4, 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  
Mike Keever, Chief Deputy Director, for the Department of Transportation  
David Oppenheim, Deputy Controller, for the State Controller  
Blake Fowler, Director of Public Finance, for the State Treasurer

#### **MEMBERS ABSENT:**

None.

#### **CALL TO ORDER AND ROLL CALL:**

Michelle Perrault, Chairperson of the State Public Works Board (Board), called the meeting to order at 10:00 a.m. Angela Noland, Secretary 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:**

Sally Lukenbill, Executive Director of the Board, stated that the requested action would authorize the sale of the 2024 Series D and E lease revenue bonds and would approve the form of various documents related to, and approve and authorize other related actions in connection with, the issuance, sale, and delivery of the bonds.

The 2024DE Bonds would be issued to finance all or a portion of project costs for the following:

For the Judicial Council: Menifee Justice Center located in the City of Menifee, Riverside County. The total project cost is \$80,179,000, all of which would be financed with the 2024 Series D bonds.

- For the Department of Corrections and Rehabilitation:
  - Yuba Juvenile Project, which is located in the City of Marysville in Yuba County and would serve the counties of Yuba, Sutter and Colusa. The total project cost is \$22,219,000, of which \$15,256,000 would be financed with the 2024 Series D bonds.
  - Orange Jail Project in Orange County. The total project cost is \$225,538,000, of which \$180,000,000 would be financed with the 2024 Series D and Series E bonds.

- Kings Juvenile Project, located in the City of Hanford, Kings County. The total project cost is \$12,383,000, of which \$9,600,000 would be financed with the 2024 Series D bonds.
- For the Board of State and Community Corrections: Plumas Jail Project, located in Quincy, in Plumas County. The total project cost is \$25,530,000, of which \$25,000,000 would be financed with the 2024 Series D bonds.

The estimated project costs to be financed are \$310 million, the estimated par value of the bonds to be issued is \$263 million, and the estimated "Not to Exceed" par amount is \$319 million.

Concurrent with the issuance of the bonds, the departments would enter into site leases with the Board for their respective projects, under which the Board would lease from the departments, the sites where the projects are located. The Board would also lease the respective facilities to the departments through a facility lease. 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 would enter into facility subleases with each respective county for the county's use, operation, and maintenance of the facilities.

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

Ms. Lukenbill noted that there was an error in the Staff Analysis that indicated the CDCR leases would terminate in 25 years instead of 15 years.

The 2024 Series D bonds would be sold as tax exempt, and the Series E bonds would be sold as taxable, through a competitive sale on the basis described in the Notice of Sale.

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 Mr. Fowler and seconded by Mr. Oppenheim to approve Bond Item 1. The motion passed unanimously through a 5-0 roll-call vote (Ms. Perrault, Ms. Osborn, Mr. Keever, Mr. Oppenheim, and Mr. Fowler all voting aye).**

Ms. Perrault thanked and excused Mr. Oppenheim and Mr. Fowler.

**MINUTES:**

The next order of business was to approve the minutes from the September 13, 2024, Board meeting.

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. Keever to approve the minutes. The motion passed unanimously through a 3-0 roll-call vote (Ms. Perrault, Ms. Osborn, and Mr. Keever all voting aye).**

**CONSENT ITEMS:**

The next order of business was to consider one Consent Item.

Consent Item 1:

Ms. Lukenbill stated that requested action would recognize a scope change and revised project costs for the Central California Women's Facility, Health Care Facility Improvement Program (CCWF HCFIP) project in Madera County for the Department of Corrections and Rehabilitation.

The CCWF HCFIP project includes five sub projects. The current scope for two of the five sub projects would 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.

The scope change would result in estimated cost savings of \$182,000, which would be offset by a cost increase of \$665,000 which was driven by an extended project schedule. This net increase of \$483,000 would be funded through a transfer of excess authority from a HCFIP project at another facility.

Ms. Lukenbill noted that the item required a 20-day notice to the Joint Legislative Budget Committee and the fiscal committees in each house. The letter was sent on September 13, 2024, and the notification period had expired without adverse comment.

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. Keever to approve Consent Item 1. The motion passed unanimously through a 3-0 roll-call vote (Ms. Perrault, Ms. Osborn, and Mr. Keever all voting aye).**

**ACTION ITEMS:**

The next order of business was to consider one Action Item.

Action Item 1:

Ms. Lukenbill stated that If approved, the action would adopt three Resolutions of Necessity authorizing the use of eminent domain by the High-Speed Rail Authority, to acquire the following properties or interest in properties for the High-Speed Train System:

- **Sharma Property (Kern County)**
- **Ipatzi Property (Kern County)**
- **Roeding Property (Fresno County)**

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 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 Resolutions 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.

Ben Chandler, serving as counsel to the Board on Eminent Domain items, presented the Resolutions of Necessity.

Mr. Chandler stated that the Resolutions of Necessity that are before the Board had been reviewed to ensure there is prima facie evidence that the factors set forth in Code of Civil Procedure Section 1245.230 are present. Specifically, that each Resolution provides:

1. The public interest and necessity require the Project.
2. That the proposed Project is planned and located in a manner that would provide the greatest public good with the least private injury.
3. The acquisition property described in Exhibit A of the Resolution is necessary for the project; and
4. The offer of just compensation required by Government Code section 7267.2 has been made to all owners of record as required by the statute, except where an offer could not be made because the owner of record or any appropriate heirs, descendants, or devisees could not be located.

Mr. Chandler explained that it was counsel's opinion that for the Resolutions of Necessity, prima facie evidence for these factors were present such that the Board may adopt the Resolutions of Necessity. If the Board agrees and determines these factors are present, the Board may move to adopt the Resolutions of Necessity.

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 Mr. Keever and seconded by Ms. Osborn to approve Action Item 1. The motion passed unanimously through a 3-0 roll-call vote (Ms. Perrault, Ms. Osborn, and Mr. Keever all voting aye).**

**OTHER BUSINESS:**

None.

**GENERAL PUBLIC COMMENT:**

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

**REPORTABLES:**

Ms. Lukenbill presented the Reportable Items for the period of August 31, 2024, through September 22, 2024.

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

**NEXT MEETING:**

Ms. Perrault stated that the next Board meeting was scheduled for Friday, November 8. The time and location of the meeting would be posted on the Board's website.

Ms. Perrault asked if there were any other questions or comments from the Board or from the public. The meeting concluded at 10:13.