



NOTICE OF MEETING

STATE PUBLIC WORKS BOARD

Friday, October 24, 2014, at 2:00 p.m. in Room 113,
State Capitol, Sacramento, California

AGENDA

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| I. Roll Call | | |
| II. Bond Items | Page | 2 |
| III. Action Item | Page | 9 |

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 Internet at: <http://www.spwb.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 Aurelia Bethea at (916) 445-9694 or e-mail to aurelia.bethea@dof.ca.gov five days prior to the meeting.

BOND ITEMS

BOND ITEM—1

**DEPARTMENT OF CORRECTIONS AND REHABILITATION (5225)
2014 SERIES G, LEASE REVENUE REFUNDING BONDS
CALIFORNIA SUBSTANCE ABUSE TREATMENT FACILITY AND
STATE PRISON AT CORCORAN**

Refunded Bonds: Department of Corrections and Rehabilitation, 2005 Series J, California Substance Abuse Treatment Facility and State Prison at Corcoran (Corcoran II)

Authority: Government Code Section 15840

Consider adoption of a resolution to:

1. Authorize the sale of the State Public Works Board Lease Revenue Refunding Bonds, Department of Corrections and Rehabilitation, 2014 Series G, California Substance Abuse Treatment Facility and State Prison at Corcoran (Corcoran II), Tax-Exempt Bonds.
2. Approve the form of and authorize the execution of a Supplemental Indenture to the Master Indenture, between the Board and the State Treasurer.
3. Approve the form of and authorize the execution of a fourth amendment to the Facility Lease between the Board and the Department of Corrections and Rehabilitation.
4. Approve the form of and authorize the execution of an Escrow Agreement between the Board and the State Treasurer.
5. Approve the form of and authorize the execution of a Continuing Disclosure Agreement.
6. Approve the form of and authorize the delivery of a Preliminary Official Statement.
7. Approve and authorize the delivery of an Official Statement.
8. Approve the form of and authorize the execution of a Purchase Contract by and among the Board, the State Treasurer, and the underwriters named therein.
9. Approve other related actions in connection with the authorization, issuance, sale, and delivery of said revenue bonds.

Estimated par amount for the refunding bonds is:	\$140,235,000
Estimated not to exceed par amount for the refunding bonds is:	\$147,655,000

BOND ITEMS

STAFF ANALYSIS ITEM—1

Department of Corrections and Rehabilitation
2014 Series G, Lease Revenue Refunding Bonds
California Substance Abuse Treatment Facility and State Prison at Corcoran

Action Requested

If approved, the requested action would authorize the sale of the 2014 Series G lease revenue refunding bonds and other related actions in connection with the issuance, sale, and delivery of said revenue bonds, including approving the forms of and authorizing the execution of a supplemental indenture, a fourth amendment to the Facility Lease, an escrow agreement, a purchase contract, and a continuing disclosure agreement and authorizing the delivery of a preliminary official statement and an official statement.

Descriptions of the Refunding

The 2014 Series G bonds will refund the Board's 2005 Series J bonds and achieve an estimated net present value savings of \$13.4 million and an estimated 9.1% savings of the refunded bonds. The estimated annual savings ranges from \$1.3 million to \$1.9 million per year. The estimated par amount of the 2014 Series G bonds is \$140 million. This refunding is consistent with the Board's Refunding Policy which states refunding bonds may be issued pursuant to one or both of the following policies: (1) the refunding will produce benefits to the Board's bond program apart from debt service savings, and/or (2) the refunding generates positive net present value savings equal to at least 3.0% of the par amount of bonds refunded.

California Substance Abuse Treatment Facility and State Prison at Corcoran

California Substance Abuse Treatment Facility and State Prison at Corcoran (SATF) is located in Kings County approximately 5 miles south of the City of Corcoran and approximately 56 miles southwest of the City of Fresno. The SATF is comprised of seven housing complexes inside the security perimeter. Four housing complexes provide dormitory housing for minimum security male inmates and three housing complexes provide celled housing for medium and maximum security male inmates. Each housing complex operates semi-autonomously and is separated from the others by fencing or a building, with the medium and maximum security housing complexes contained within a double-fenced security perimeter with an electrified fence. CDCR has had beneficial use and occupancy of the SATF since July 1997.

Staff Recommendation: Adopt the resolution.

BOND ITEMS

BOND ITEM—2

**DEPARTMENT OF CORRECTIONS AND REHABILITATION (5225)
DEPARTMENT OF TECHNOLOGY (7502)
2014 SERIES H, LEASE REVENUE REFUNDING BONDS
VARIOUS CAPITAL PROJECTS**

Refunded Bonds: Department of Corrections, 2002 Series A, Ten Administrative Segregation Housing Units; and Department of General Services, 2002 Series B, Teale Data Center Project

Authority: Government Code Section 15840

Consider adoption of a resolution to:

1. Authorize the sale of the State Public Works Board Lease Revenue Refunding Bonds, 2014 Series H, Various Capital Projects, Tax-Exempt Bonds.
2. Approve the form of and authorize the execution of a Supplemental Indenture to the Master Indenture, between the Board and the State Treasurer.
3. Approve the forms of and authorize the execution of Site Leases between the Board and the participating departments.
4. Approve the forms of and authorize the execution of Facility Leases between the Board and the participating departments.
5. Approve the forms of and authorize the execution of Escrow Agreements between the Board and the State Treasurer.
6. Approve the forms of and authorize the execution of Termination Agreements for the Transfer of Control and Possession of State Owned Real Property and Facility Leases between the Board and applicable departments.
7. Approve the form of and authorize the execution of a Continuing Disclosure Agreement.
8. Approve the form of and authorize the delivery of a Preliminary Official Statement.
9. Approve and authorize the delivery of an Official Statement.
10. Approve the form of and authorize the execution of a Purchase Contract by and among the Board, the State Treasurer, and the underwriters named therein.
11. Approve other related actions in connection with the authorization, issuance, sale, and delivery of said revenue bonds.

Estimated par amount for the refunding bonds is:	\$80,265,000
Estimated not to exceed par amount for the refunding bonds is:	\$90,275,000

BOND ITEMS

STAFF ANALYSIS ITEM—2

Department of Corrections and Rehabilitation
Department of Technology
2014 Series H, Lease Revenue Refunding Bonds
Various Capital Projects

Action Requested

If approved, the requested action would authorize the sale of the 2014 Series H lease revenue refunding bonds and other related actions in connection with the issuance, sale, and delivery of said revenue bonds, including approving the forms of and authorizing the execution of a supplemental indenture, site leases, facility leases, escrow agreements, termination agreements, a continuing disclosure agreement, a purchase contract, and authorizing the delivery of a preliminary official statement and an official statement.

Descriptions of the Refunding

The 2014 Series H bonds will refund the Board's 2002 Series A and B bonds and achieve an estimated net present value savings of \$16.9 million, an estimated 17.7% savings of the refunded bonds, and an estimated annual savings of \$1.4 million per year. The estimated par amount of the 2014 Series H bonds is \$80 million. This refunding is consistent with the Board's Refunding Policy which states refunding bonds may be issued pursuant to one or both of the following policies: (1) the refunding will produce benefits to the Board's bond program apart from debt service savings, and/or (2) the refunding generates positive net present value savings equal to at least 3.0% of the par amount of bonds refunded.

Ten Administrative Segregation Housing Units

The Ten Administrative Segregation Housing Units provide a single tier 100-cell housing unit at ten separate, existing prison sites to house inmates within the California prison population who require isolation from the general population, resulting in the addition of 1,000 cells to the statewide prison system. Each building is approximately 25,000 square feet, and includes an elevated central control room, as well as administrative, program, health care, and support services space. In addition, each Administrative Segregation Housing Unit has adjacent small recreation yards, which are each monitored by a closed-circuit television system.

The Administrative Segregation Housing Units were constructed at the following prisons: California Substance Abuse Treatment Facility and State Prison at Corcoran; High Desert State Prison; Pelican Bay State Prison; Salinas Valley State Prison; California State Prison, Corcoran; California State Prison, Sacramento; Pleasant Valley State Prison; California State Prison, Los Angeles County; Calipatria State Prison; and Centinela State Prison.

Gold Camp Data Center

The Gold Camp Data Center is located in the City of Rancho Cordova, approximately 13 miles east of the City of Sacramento. Construction of the Gold Camp Data Center was completed in 1998. The data center includes one building that is approximately 154,000 square feet and approximately 400 parking spaces on approximately 8.7 acres of state-owned land. The building provides approximately 134,000 square feet of data center, security, and office space, as well as approximately 20,000 square feet of space for central plant environmental equipment.

Staff Recommendation: Adopt the resolution.

BOND ITEMS

BOND ITEM—3

**DEPARTMENT OF STATE HOSPITALS (4440)
2014 SERIES I, LEASE REVENUE REFUNDING BONDS
HOSPITAL ADDITION AT ATASCADERO STATE HOSPITAL**

Refunded Bonds: Department of Mental Health, 2001 Series A, Hospital Addition at Atascadero State Hospital

Authority: Government Code Section 15840

Consider adoption of a resolution to:

1. Authorize the sale of the State Public Works Board Lease Revenue Refunding Bonds, 2014 Series I, Hospital Addition at Atascadero State Hospital, Tax-Exempt Bonds.
2. Approve the form of and authorize the execution of a Supplemental Indenture to the Master Indenture, between the Board and the State Treasurer.
3. Approve the form of and authorize the execution of a first amendment to the Transfer Agreement between the Board and the Department of State Hospitals.
4. Approve the form of and authorize the execution of a second amendment to the Facility Lease between the Board and the Department of State Hospitals.
5. Approve the form of and authorize the execution of an Escrow Agreement between the Board and the State Treasurer.
6. Approve the form of and authorize the execution of a Continuing Disclosure Agreement.
7. Approve the form of and authorize the delivery of a Preliminary Official Statement.
8. Approve and authorize the delivery of an Official Statement.
9. Approve the form of and authorize the execution of a Purchase Contract by and among the Board, the State Treasurer, and the underwriters named therein.
10. Approve other related actions in connection with the authorization, issuance, sale, and delivery of said revenue bonds.

Estimated par amount for the refunding bonds is:	\$19,980,000
Estimated not to exceed par amount for the refunding bonds is:	\$22,290,000

BOND ITEMS

STAFF ANALYSIS ITEM—3

Department of State Hospitals
2014 Series I, Lease Revenue Refunding Bonds
Hospital Addition at Atascadero State Hospital

Action Requested

If approved, the requested action would authorize the sale of the 2014 Series I lease revenue refunding bonds and other related actions in connection with the issuance, sale, and delivery of said revenue bonds, including approving the forms of and authorizing the execution of a supplemental indenture, a first amendment to the Transfer Agreement, a second amendment to the Facility Lease, an escrow agreement, a purchase contract, and a continuing disclosure agreement and authorizing the delivery of a preliminary official statement and an official statement.

Descriptions of the Refunding

The 2014 Series I bonds will refund the Board's 2001 Series A bonds and achieve an estimated net present value savings of \$3.9 million, an estimated 16.4% savings of the refunded bonds, and an estimated annual savings of \$360,000 per year. The estimated par amount of the 2014 Series I bonds is \$20.0 million. This refunding is consistent with the Board's Refunding Policy which states refunding bonds may be issued pursuant to one or both of the following policies: (1) the refunding will produce benefits to the Board's bond program apart from debt service savings, and/or (2) the refunding generates positive net present value savings equal to at least 3.0% of the par amount of bonds refunded.

Hospital Addition at Atascadero State Hospital

The *Atascadero State Hospital* (the "Atascadero Hospital") opened in 1954 and sits on 448 acres in Atascadero, San Luis Obispo County. It is a completely self-contained residential facility surrounded by a maximum-security perimeter fence. Atascadero Hospital has approximately 846,000 square feet (sf) of facility space, and a licensed capacity of 1,239 beds. Atascadero Hospital primarily houses and treats high-risk male forensic patients.

The hospital addition project funded by the 2001 Series A bonds at Atascadero Hospital consisted of three two-story housing units totaling approximately 105,000 sf, for a total of 258 beds. The hospital addition project also included several recreation yards and a main corridor with underground utility tunnel, and added approximately 8,000 sf of support services buildings, a 700 sf guard tower, over one-half mile of service and access roads, and parking for approximately 241 vehicles. Additionally, the hospital addition project expanded the hospital admissions building by approximately 2,000 sf and renovated the existing 2,000 sf portion of the building.

The renovation of Hospital Addition Project financed with the proceeds of the Board's Lease Revenue Bonds (Department of Mental Health) 2011 Series F (Renovation of Hospital Addition at Atascadero State Hospital) (Federally Taxable Bonds) consisted of improvements to prevent water intrusion to the housing units constructed as part of the hospital addition project financed with the Board's 2001 Series A bonds, including the remediation of mold detected in the inner shell of the housing units. All remediation work addressing mold growth caused by water intrusion has been completed and there is no ongoing health threat posed by mold in the housing units.

Staff Recommendation: Adopt the resolution.

ACTION ITEMS

ACTION ITEM—1

**HIGH SPEED RAIL AUTHORITY (2665)
INITIAL OPERATING SEGMENT, SECTION 1
MULTIPLE PROPERTY CONDEMNATIONS
MADERA AND FRESNO COUNTIES**

*Authority: Chapter 152, Statutes of 2012, Item 2665-306-0890 (1)
Chapter 152, Statutes of 2012, Item 2665-306-6043 (1)
Chapter 25, Statutes of 2014, Item 2665-306-3228 (1)
Section 15854 of the Government Code*

Consider the adoption of Resolutions of Necessity authorizing the use of eminent domain (condemnation) to acquire the following properties:

- 1. Schuh Farms Property (Fresno County)
4397 N. Golden State Blvd
Assessor Parcel Number 510-090-46
Authority Parcel Numbers MF-10-0096-1, MF-10-0096-2, and MF-10-0096-3**
- 2. Pioneer Public Trust Property (Fresno County)
Southeast Corner of F Street and Ventura Street
Assessor Parcel Number 467-082-12
Authority Parcel Numbers FB-10-0161-1 and FB-10-0161-2**
- 3. Fresno & Vicinity Sheet Metal & Apprenticeship & Trust Fund (Fresno County)
2459 Foundry Park Avenue
Assessor Parcel Number 479-030-75
Authority Parcel Number FB-10-0586-1**
- 4. Patel Property (Fresno County)
1849 N. Golden State Blvd
Assessor Parcel Number 442-122-03
Authority Parcel Numbers FB-10-0002-1 and FB-10-0002-2**
- 5. S&F Investments Property (Fresno County)
4106 South Cedar Avenue
Assessor Parcel Number 330-031-03
Authority Parcel Numbers FB-10-0262-1 and FB-10-0262-01-01**
- 6. JHS, DBH & JCH Family Partnership Property (Fresno County)
1517 Ventura Street
Assessor Parcel Number 467-081-06
Authority Parcel Numbers FB-10-0501-1 and FB-10-0501-01-01**
- 7. E&J Gallo Property (Madera County)
31754 Avenue 9
Assessor Parcel Number 048-070-008
Authority Parcel Numbers MF-20-0908-1, MF-20-0908-2 and MF-20-0908-3**

ACTION ITEMS

STAFF ANALYSIS ITEM—1

High Speed Rail Authority
Initial Operating Segment, Section 1
Madera and Fresno Counties

Action Requested

If approved, the requested action would approve adoption of seven Resolutions of Necessity authorizing the use of eminent domain (condemnation) to acquire properties totaling approximately 7.77 acres located in Madera and Fresno Counties.

Scope Description

This project is within scope. The Initial Operating Segment, Section 1 (IOS-1) is expected to be approximately 130 miles starting near Madera (north of Fresno) and extending southward almost to Bakersfield. This initial section includes the realignment of Highway 99 in Fresno, construction of a bridge over the San Joaquin River, several grade separations, two viaducts and the acquisition of approximately 1,100 parcels. The IOS-1 is the first construction phase of the High Speed Train System (HSTS). The HSTS consists of Phase 1, which would provide 520 miles of the HSTS extending from San Francisco to Los Angeles/Anaheim, and Phase 2, which would extend the system to Sacramento and San Diego.

Funding and Cost Verification

This project is within cost. Chapter 152, Statutes of 2012, appropriated \$5.850 billion (\$2.609 billion High Speed Passenger Train Fund and \$3.241 billion federal funds) and Chapter 25, Statutes of 2014 provided an additional \$191.4 million Greenhouse Gas Reduction Fund for the IOS-1.

Background

In order to adopt a Resolution of Necessity that is required to initiate the eminent domain (condemnation) proceedings, 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.

In 2008 the voters of California approved Proposition 1a, authorizing monies from the High-Speed Passenger Train Bond fund in support of this Project. In 2009 and 2010 the federal government approved funds in support of the portion of this Project extending from San Francisco to Anaheim, and in 2012 and 2014, through Chapter 152, Statutes of 2012 and Chapter 25, Statutes of 2014, the Legislature appropriated funds for the acquisition and design-build phases of the IOS-1 of the Project, extending from Madera to near Bakersfield.

The Property Acquisition Law, commencing with Section 15850 of the Government Code, authorizes the Board to select and acquire in the name of the State of California (State) with the consent of the State agency concerned, the fee or any lesser right or interest in any real property necessary for any State purpose or function. This law also authorizes the Board to acquire property by condemnation, in the manner provided for in Title 7 (commencing at section 1230.010) of Part 3 of the Code of Civil Procedure.

Each of the seven properties is within the right of way for IOS-1. Five of the seven properties were site-selected at the January 11, 2013 Board meeting and the other two were site-selected at the April 11, 2014 Board meeting. The site selections took place after an extensive environmental review process where it was determined that any alternative alignment would include the selected parcels, or where a preferred alignment had already been approved by both the High Speed Rail Authority Board and the Federal Railroad Administration. Acquisition of these properties will allow the High Speed Rail Authority to move forward with construction of the HSTS.

Between June 2013 and July 2014, the various owners were provided with a first written offer to purchase the subject property, as required by Government Code section 7267.2. Negotiations to acquire the property have been unsuccessful to date, thereby precipitating the need to adopt a Resolution of Necessity to authorize the use of eminent domain.

On October 6, 2014 and October 7, 2014, Notices of Intent to adopt a Resolution of Necessity were mailed to the respective property owners. This notice was sent in accordance with Code of Civil Procedure section 1245.235.

Property Specific Information:

1. Schuh Farms Property (Fresno County)

4397 N. Golden State Blvd

Assessor Parcel Number 510-090-46

Authority Parcel Numbers MF-10-0096-1, MF-10-0096-2, and MF-10-0096-3

This property, which includes an industrial building and parking on the greater parcel, is a part-take needed for roadway improvements associated with the realignment of Golden State Boulevard between Santa Ana Avenue and Richert Avenue. The requested action is necessary in order to acquire a portion totaling 0.2 acres, 0.19 acres in fee in and 0.01 acres in as a temporary construction easement, but does not include the building or parking.

2. Pioneer Public Trust Property (Fresno County)

Southeast Corner of F Street and Ventura Street

Assessor Parcel Number 467-082-12

Authority Parcel Numbers FB-10-0161-1 and FB-10-0161-2

This property, which is vacant, is a part take needed for the Ventura Street grade separation that will allow vehicles and pedestrians to safely cross the high speed rail line. Development of the grade separation requires widening the existing street. The requested action is necessary in order to acquire a portion totaling 0.08 acres, 0.07 acres in fee and 0.01 acres for a temporary construction easement.

3. **Fresno & Vicinity Sheet Metal & Apprenticeship & Trust Fund (Fresno County)**
2459 Foundry Park Avenue
Assessor Parcel Number 479-030-75
Authority Parcel Number FB-10-0586-1

This property, which is vacant, is a part-take needed for roadway improvements associated with the realignment of Golden State Boulevard adjacent to Foundry Park Avenue. The requested action is necessary in order to acquire 0.11 acres in fee.

4. **Patel Property (Fresno County)**
1849 N. Golden State Blvd
Assessor Parcel Number 442-122-03
Authority Parcel Numbers FB-10-0002-1 and FB-10-0002-2

This property, which includes a motel, is a full-take needed for roadway improvements associated with the realignment of Golden State Boulevard just north of McKinley Ave. The requested action is necessary in order to acquire 0.57 acres in fee.

5. **S&F Investments Property (Fresno County)**
4106 South Cedar Avenue
Assessor Parcel Number 330-031-03
Authority Parcel Numbers FB-10-0262-1 and FB-10-0262-01-01

This property, which includes several industrial structures and two small offices on the greater parcel, is a part-take needed for the HSTS just south of East Central Avenue in Fresno. The requested action is necessary in order to acquire a portion totaling 1.75 acres in fee, but does not include the structures.

6. **JHS, DBH & JCH Family Partnership Property (Fresno County)**
1517 Ventura Street
Assessor Parcel Number 467-081-06
Authority Parcel Numbers FB-10-0501-1 and FB-10-0501-01-01

This property, which includes a residential structure, is needed for the Ventura Street grade separation. The requested action is necessary in order to acquire 0.06 acres in fee.

7. **E&J Gallo Property (Madera County)**
31754 Avenue 9
Assessor Parcel Number 048-070-008
Authority Parcel Numbers MF-20-0908-1, MF-20-0908-2 and MF-20-0908-3

This property, which includes a former winery and office building on the greater parcel, is a part take needed mostly for the Avenue 9 grade separation with a small portion needed for the HSTS in the vicinity of Avenue 9. The requested action is necessary in order to acquire a portion totaling 5 acres, 3.09 acres in fee and 1.91 acres for a temporary construction easement. The winery and office building will not be affected the project.

Staff Recommendation: Approve the adoption of Resolutions of Necessity authorizing the use of eminent domain (condemnation) to acquire seven properties totaling approximately 7.77 acres located in Madera and Fresno Counties.