



CALIFORNIA STATE
PUBLIC WORKS BOARD

EDMUND G. BROWN JR. • GOVERNOR

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Agenda with Analysis

STATE PUBLIC WORKS BOARD

Monday, March 26, 2018 at 10:00 a.m.
in Room 113, State Capitol, Sacramento, California

- I. Roll Call

- II. Bond Items Page 2

- III. Consent Items Page 10

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 Marie Magdaleno at (916) 445-9694 or e-mail to marie.magdaleno@dof.ca.gov, five days prior to the meeting.

BOND ITEM

BOND ITEM—1

**DEPARTMENT OF CORRECTIONS AND REHABILITATION (5225)
2018 SERIES A, LEASE REVENUE BONDS
KERN JAIL COMPLEX**

Project: Kern Jail Complex

Location: Kern County

Authority: Government Code Sections 15820.91-15820.917 (AB 900, Phase 2)

Consider adoption of a resolution to:

1. **Authorize the sale of the State Public Works Board Lease Revenue Bonds, Department of Corrections and Rehabilitation, 2018 Series A, Kern Jail Complex, Tax-Exempt Bonds.**
2. **Approve the form of and authorize the execution of a One Hundred Forty-Ninth Supplemental Indenture, between the State Treasurer and the Board.**
3. **Approve the form of and authorize the execution of a Site Lease between the Department of Corrections and Rehabilitation (CDCR) and the Board.**
4. **Approve the form of and authorize the execution of a Facility Lease between the CDCR and the Board.**
5. **Approve the form of and consent to and acknowledge a Facility Sublease between the CDCR and the participating county.**
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 the form of the Notice of Sale.**
9. **Authorize the preparation and delivery of an Official Statement.**
10. **Approve other related actions in connection with the authorization, issuance, sale, and delivery of said revenue bonds.**

Project Costs to be Financed	\$100,000,000
Estimated Par Value of Bonds to be Issued	\$91,815,000
“Not To Exceed” Par Amount	\$112,215,000

BOND ITEM

STAFF ANALYSIS ITEM—1

Department of Corrections and Rehabilitation
2018 Series A, Lease Revenue Bonds
Kern Jail Complex

Action Requested

If approved, the requested action would authorize the sale of the 2018 Series A lease revenue bonds and other related actions in connection with the issuance of said revenue bonds, including approving the forms of and authorizing the execution of a supplemental indenture, site lease, facility lease, a continuing disclosure agreement, and approving the form of and authorizing the delivery of a preliminary official statement, a notice of sale, and authorizing the preparation and delivery of an official statement.

Scope Description and Funding

This project is within scope and cost.

Kern Jail Complex, Kern County

The Kern Jail Complex (“the Kern Project”) includes the construction of a new jail with two main buildings connected by a corridor and a central plant. The facility is located on approximately 24 acres of county owned property located in the unincorporated area of Kern County. The Kern Project provides approximately 825 beds and includes housing, treatment, administrative, support, and program space. A guard house, a visitor parking lot, and a secure inmate transportation vehicle parking lot were constructed, and an existing parking lot was refurbished for use as a staff parking lot. In addition, there is a separate secure fencing surrounding the Kern Project to provide grounds security. The Kern Project is constructed primarily of steel and concrete for long-term durability. The visitor’s center, administrative area, and central plant are constructed of standard commercial building materials.

The Kern Easement Agreement grants easements to CDCR and the Board to certain property owned by Kern County adjacent to the Kern Project for purposes of ingress, egress, installation, maintenance and replacement of various utilities and for other purposes necessary or desirable for access to the Site for the repair, operation and maintenance of the Kern Project.

The Kern Project is complete and was available for occupancy in February 2018. The total cost of the Kern Project is approximately \$124.8 million, of which \$100 million is expected to be financed with proceeds from the 2018A Bonds, with the balance funded from other sources.

Staff Recommendation: Adopt the resolution.

BOND ITEM

BOND ITEM—2

**DEPARTMENT OF FORESTRY AND FIRE PROTECTION (3540)
DEPARTMENT OF GENERAL SERVICES (7760)
2018 SERIES B, LEASE REVENUE BONDS
VARIOUS FACILITIES**

Authority: Section 15840 of the Government Code

Refunded Bonds, 2007 Series E:

Department of Forestry and Fire Protection:

Bear Creek Fire Station, Tulare County
Del Dios Fire Station, San Diego County
Dew Drop Fire Station, Amador County
Harts Mill Fire Stateion, Butte County
Independence Fire Station, Inyo County
Rancheria Fire Station, Madera County
Raymond Fire Station, Madera County
Santa Clara Ranger Unit Headquarters Automotive Shop, Santa Clara County
Sweetwater Fire Station, Alameda County
Usona Fire Station, Mariposa County
Vallecito Conservation Camp, Calaveras County
Weaverville Fire Station, Trinity County

Refunded Bonds, 2008 Series D:

Department of General Services

Office Building 10, Sacramento

Consider adoption of a resolution to:

- 1. Authorize the sale of the State Public Works Board Lease Revenue Refunding Bonds, 2018 Series B, in accordance with the Board's refunding policy.**
- 2. Approve the form of and authorize the execution of a One-Hundred and Fiftieth Supplemental Indenture to the Master Indenture, between the Board and the State Treasurer.**
- 3. Approve the forms of and authorize the execution of the Site Leases between the Board and the above named departments.**
- 4. Approve the forms of and authorize the execution of the Facility Leases between the Board and the above named departments.**
- 5. Approve the forms of and authorize the execution of an Escrow Agreement between the Board and the State Treasurer for each series of bond being refunded.**
- 6. Approve the forms of and authorize the execution of the Termination Agreements between the Board and the above departments.**

7. **Approve the form of and authorize the execution of the Continuing Disclosure Agreement.**
8. **Approve the form of and authorize the delivery of a Preliminary Official Statement.**
9. **Approve the form of the Notice of Sale.**
10. **Authorize the preparation and delivery of an Official Statement.**
11. **Approve other related actions in connection with the authorization, issuance, sale, and delivery of said revenue bonds.**

Current outstanding par amount of the bonds to be refunded, 2007E:	\$33,050,000
Current outstanding par amount of the bonds to be refunded, 2008D:	\$19,435,000

BOND ITEMS

STAFF ANALYSIS ITEM—2

Department of Forestry and Fire Protection (3540)
 Department of General Services (7760)
 2018 Series B, Lease Revenue Bonds
 Various Facilities

Action Requested

If approved, the requested action would authorize the sale of the 2018 Series B 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, facility leases, site leases, termination agreements, an escrow agreement, a continuing disclosure agreement, and approving the form of and authorizing the delivery of a preliminary official statement, a notice of sale, and authorizing the preparation and delivery of an official statement.

Description of the Refunding

The 2018 Series B Bonds will provide funds that will be used, together with other lawfully available moneys, (i) to establish an irrevocable escrow to refund and defease all or a portion of the State Public Works Board’s (Board) outstanding 2007 Series E Bonds and 2008 Series D (ii) to pay the costs of issuance of the 2018 Series B Bonds.

The 2018 Series B bonds, which have an estimated par amount of \$47.9 million, will refund all of the Board’s 2007 Series E and 2008 Series D bonds, and achieve an anticipated net present value savings of \$6.7 million and an anticipated savings of 12.9 percent of the refunded bonds. This anticipated savings meets the Board’s refunding policy requirement to refund bonds achieving at least 3 percent in savings.

Refunded Projects:

(3540) Department of Forestry and Fire Protection – Various Projects:

Bear Creek Fire Station, previously known as the Springville Forest Fire Station is a two-engine fire station in Tulare County and includes a 2,921 square foot, 12-person barracks/mess hall building, a 1,984 square foot three-bay apparatus building with office, restroom, workroom and storage space, a 156 square foot flammables storage building, a 156 square foot pump house building, a 300 square foot generator building with emergency generator and a radio tower. It has been fully operational and occupied since February 2008.

Del Dios Fire Station, previously known as the San Marcos Forest Fire Station was originally built in 1948 and now located in San Diego County. The facility is a one-engine forest fire station and includes a 2,376 square foot wood-framed barracks building, a 1,697 square foot wood-framed apparatus building, a 120 square foot flammable storage building, a 300 square foot generator building with emergency generator and a 1,000 gallon fuel facility. It has been fully operational and occupied since June 2008.

Dew Drop Fire Station is a one-engine forest fire station in Amador County and includes a 2,356 square foot, eight-bed barracks/mess hall building, a 1,984 square foot, three-bay apparatus building, a 150 square foot flammables storage building, a 300 square foot pump house/generator building, and a radio tower. It has been fully operational and occupied since April 2008.

Harts Mill Fire Station is a one-engine forest fire station in Butte County and includes a 2,330 square foot barracks/mess hall, a 1,697 square foot, two-bay fire apparatus building, a 150 square foot storage building, a 300 square foot generator building with emergency generator, a fuel facility, storage tank and a radio tower. It has been fully operational and occupied since September 2008.

Independence Fire Station is a one-engine forest fire station in Inyo County and includes a 2,330 square foot, eight-bed barracks building, a 1,697 square foot, two-bay apparatus building with an office, a 150 square foot storage building, a 300 square foot generator building with emergency generator, a fuel facility and a radio tower. It has been fully operational and occupied since June 2007.

Rancheria Fire Station is a two-engine forest fire station in Madera County and includes a 2,944 square foot, 12-bed barracks/mess hall building, a 1,984 square foot, three-bay apparatus building, a 298 square foot flammables storage building, a 300 square foot generator building with emergency generator and a radio tower. It has been fully operational and occupied since March 2008.

Raymond Fire Station is a one-engine forest fire station in Madera County and includes a 2,376 square foot 8-bed barracks/mess hall building, a 1,697 square foot two-bay apparatus building, 120 square foot flammables storage building, a 157 square foot pump house building, a 300 square foot generator building with emergency generator and a radio tower. It has been fully operational and occupied since May 2007.

Santa Clara Ranger Unit Headquarters Automotive Shop is an automotive repair shop located in Santa Clara County and includes a 6,075 square foot pre-engineered metal repair facility with separate areas for properly vented metal fabrication, environmentally correct parts cleaning and hazardous materials storage of automotive oils/greases with secondary containment. The facility also includes a detached bulldozer storage/work bay, electrical

lifts, restrooms, offices and tool storage area. It has been fully operational and occupied since October 2008.

Sweetwater Fire Station is a one-engine forest fire station in Santa Clara County and includes a 2,376 square foot, wood-framed, eight-barracks/mess hall building, a 1,697 square foot wood-framed apparatus building (with an office and two bays), a 156 square foot flammables storage building, a 156 pump house building, a 300 square foot generator building with emergency generator and a radio tower. It has been operational and occupied since March 2008.

Usona Fire Station is one-engine forest fire station in Mariposa County and includes a standard 2,330 square foot, eight-bed barracks/mess hall building, a 1,697 square foot two-bay apparatus building, a 300 square foot flammables storage building and a 300 square foot generator building with an emergency generator radio tower. It has been fully operational and occupied since June 2008.

Vallecito Conservation Camp is a 110-man, level one prison facility that provides inmate fire crews to portions of Tuolumne and Calaveras Counties and the entire state. The facility includes two essential services/emergency response 1,999 square foot Crew Carrying Vehicle Apparatus Buildings, two 30,000 gallon water storage tanks, upgrade of electrical service to the automotive shop and equipment building and replacement of all underground utilities. It has been fully operational and occupied since May 2007.

Weaverville Fire Station, Trinity County is a one-engine forest fire station in Weaverville, Trinity County and includes a 2,356 square foot, eight-bed barracks/mess hall, a 1,697 square foot, two-bay apparatus building, a 900 square foot office building, a 142 square foot fire pump building, a 565 square foot storage/water pump/generator building with emergency generator and a radio tower. It has been fully fully operational and occupied since September 2007.

(7760) Department of General Services – Office Building 10: . Office Building 10 is located in the City of Sacramento, near the State Capitol, between 7th and 8th Street on Capitol Mall. It consists of a single six story office building that includes approximately 145,800 gross square feet of office and ancillary space, a mechanical room and elevator penthouse. Originally constructed between 1950 and 1953, Office Building 10 was extensively renovated in 2007. The Department of Rehabilitation (“DOR”) is the sole tenant occupying Office Building 10. The facility has been operated and managed by DGS, and occupied by DOR, since the completion of construction in November 2007.

Staff Recommendation: Adopt the resolution.

BOND ITEM

BOND ITEM—3

**DEPARTMENT OF CORRECTIONS AND REHABILITATION (5225)
2000 SERIES B, LEASE REVENUE BONDS
VARIOUS CORRECTIONAL PROJECTS**

Defeased Bonds, 2000 Series B:

Department of Corrections and Rehabilitation, as successor to the Department of Youth Authority:

El Paso de Robles Youth Correctional Facility, San Luis Obispo County
Fred C. Nelles Youth Correctional Facility, Los Angeles County
Heman G. Stark Youth Correctional Facility, San Bernardino County
Preston Youth Correctional Facility, Amador County

Consider adoption of a resolution to:

- 1. Authorize the defeasance of the State Public Works Board Lease Revenue Bonds, Department of the Youth Authority, 2000 Series B, Various Correctional Projects.**
- 2. Approve the form of and authorize the execution of an Escrow Agreement between the Board and the State Treasurer.**
- 3. Approve the forms of and authorize the execution of the Termination Agreements between the Board and the Department of Corrections and Rehabilitation.**
- 4. Approve other related actions in connection with the defeasance of said revenue bonds and closing requirements for the sale of the Fred C. Nelles property.**

Amount of bonds to be defeased, 2000B:

\$1,935,000

BOND ITEMS

STAFF ANALYSIS ITEM—3

Department Of Corrections And Rehabilitation (5225)
2000 Series B, Lease Revenue Bonds
Various Correctional Projects

Action Requested

If approved, the requested action would adopt a resolution authorizing the defeasance of the 2000 Series B lease revenue bonds and other related actions in connection with the defeasance of said revenue bonds and the sale of the Fred C. Nelles property, including approving the forms of and authorizing the execution of an escrow agreement and termination agreements.

Background and Description of Action Requested

Pursuant to Government Code Section 11011.1 and as authorized by Chapter 925, Statutes of 2004, the Department of General Services (DGS) was authorized, with the approval of the Board, to sell the Fred C. Nelles Youth Correctional Facility (Nelles) in the City of Whittier. A portion of the Board's 2000 Series B bonds financed a maintenance building at Nelles, and the Department of Corrections and Rehabilitation has maintained this financed facility in 'warm shut-down' since Nelles was closed and surplus.

On June 10, 2011, the Board adopted a resolution that approved the sale of Nelles, on condition that the portion of the 2000 Series B bonds allocable to Nelles were defeased. In the ensuing years since this Board action, the selected developer has been obtaining entitlements for the proposed development of the Nelles property and the state and the developer have been involved in CEQA litigation brought by a historical preservation group. As we advised the Board at the February 12, 2018 meeting, that litigation is resolved and the sale of the Nelles property is ready to move forward once the Board's bonds are defeased.

The Department of Finance has determined that it is in the best interest of the state to use the funds on deposit in the Nelles sales transaction to defease all of the Board's outstanding 2000 Series B bonds, which total approximately \$1.9 million. The three other projects that were financed with the 2000 Series B bonds are at Youth facilities that have also been closed and defeasing all the bonds will be more cost effective and achieve other efficiencies.

Staff Recommendation: Adopt the resolution.

CONSENT ITEM

CONSENT ITEM—1

DEPARTMENT OF FORESTRY AND FIRE PROTECTION (3540)
ACADEMY: CONSTRUCT DORMITORY
AMADOR COUNTY

*Authority: Chapters 47 and 48, Statutes of 2006, Item 3540-301-0660 (5), as reappropriated by the Budgets Act of 2008, 2009, 2011, 2013, and 2016
Chapters 10 and 11, Statutes of 2015, Item 3540-301-0660 (1)*

Consider:

a) Recognizing a scope change

b) Approving an augmentation

\$1,161,000

(7.8 percent total appropriations)
(12.9 percent cumulative)

CONSENT ITEM

STAFF ANALYSIS ITEM—1

Department of Forestry and Fire Protection
Academy: Construct Dormitory
Amador County

Action Requested

If approved, the requested action would recognize a scope change and approve an augmentation.

Scope Description

This project is not within scope. The approved project scope includes the construction of an approximately 19,900 square foot 85-bed dormitory, with 41 two-bed dorm rooms, 3 one-bed dorm rooms, a student lounge, 2 study/recreation rooms, utilities (including one-third of the facility's main water line), generator, trash enclosure, covered patio and walkway. Site work includes grading, relocation and installation of underground utilities, site drainage, retaining walls, paving, curbs, sidewalks, landscaping, fencing and other improvements and appurtenances. The project also includes the demolition of two 1940's era modular buildings.

The Department of Forestry and Fire Protection (CalFire) requests a scope change to replace the entire main water line, rather than just the partial replacement line. During construction of the dormitory, it was discovered that the existing piping that was to be tied into was brittle, ready to collapse, and made of transite (a hazardous material). In addition, the size of the proposed

water line cannot provide the adequate water pressure necessary to operate the dormitory. CalFire has indicated that replacing the entire decaying and undersized water line will provide the Academy a long-term viable water source to maintain its operations.

On March 6, 2018, the Department of Finance notified the chairs of the Joint Legislative Budget, and the fiscal committees in each house of its intent to approve the scope change and recommend that the State Public Works Board recognize this revised scope and approve this augmentation no sooner than 20 days from that date.

Funding and Cost Verification

This project is not within cost. A total of \$14,784,000 Public Buildings Construction Fund was appropriated for the preliminary plans (\$1,183,000), workings drawings (\$977,000), and construction (\$12,624,000) phases of the CalFire Academy: Construct Dormitory project located in Lone, California.

Including a prior augmentation of \$748,000 (5.06 percent of total project costs), total authorized project costs were estimated at \$15,532,000. The prior augmentation was approved to award the construction contract, as the lowest bid was higher than the amount budgeted.

CalFire requests an augmentation of \$1,161,000 (cumulatively \$1,909,076 or 12.9 percent) to replace the entire decaying and undersized water line with a long-term viable water line for the facility. The revised total project cost with this additional augmentation is \$16,693,000.

\$15,532,000 Total authorized project costs

\$16,693,000 Total estimated project costs

\$15,532,000 Project costs previously allocated: \$1,183,000 preliminary plans, \$977,000 working drawings, \$13,372,000 construction (\$10,503,000 contract, \$551,000 contingency, \$10,000 agency retained, \$1,081,000 A&E, and \$1,227,000 other project costs).

\$ 1,161,000 Requested augmentation: \$1,161,000 construction (contract)

CEQA

A Notice of Determination was filed with the State Clearinghouse on October 23, 2013, and the 30-day statutes of limitation expired without challenge.

Real Estate Due Diligence

A Summary of Conditions memo for this project was completed on July 9, 2013, and no issues that would adversely the beneficial use and quiet enjoyment of the property were identified.

Project Schedule

Approve preliminary plans	July 2015
Complete working drawings	December 2017
Start construction	August 2018
Complete construction	December 2018

Staff Recommendation: Recognize a scope change and approve an augmentation.