



CALIFORNIA STATE  
**PUBLIC WORKS BOARD**

EDMUND G. BROWN JR. • GOVERNOR

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**NOTICE OF MEETING**  
**STATE PUBLIC WORKS BOARD**

**Tuesday, April 1, 2014, at 11:30 a.m. in**  
**Room 587, State Treasurer's Office, 915 Capitol Mall**  
**Sacramento, California**

**AGENDA**

- I.** Roll Call
- II.** Bond Items Page 2
- III.** Consent Items Page 7

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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](mailto:aurelia.bethea@dof.ca.gov) five days prior to the meeting.

## BOND ITEMS

### BOND ITEM—1

**JUDICIAL COUNCIL (0250)  
2014 SERIES B, LEASE REVENUE BONDS  
NEW STOCKTON COURTHOUSE**

*Project:* **New Stockton Courthouse**  
*Location:* San Joaquin County  
*Authority:* Chapter 712, Statutes of 2010, Item 0250-301-0660 (6),  
as reappropriated by the Budget Act of 2011,  
as partially reappropriated by the Budget Act of 2013

**Consider adoption of a resolution to:**

1. Authorize the sale of the State Public Works Board Lease Revenue Bonds, Judicial Council of California, 2014 Series B, New Stockton Courthouse, Tax-Exempt Bonds.
2. Approve the form of and authorize the execution of a One Hundred Twenty-Fourth Supplemental Indenture to the Master Indenture, between the Board and the State Treasurer.
3. Approve the form of and authorize the execution of a Site Lease between the Judicial Council and the Board.
4. Approve the form of and authorize the execution of a Facility Lease between the Board and the Judicial Council.
5. Approve the form of and authorize the execution of a Project Delivery Agreement between the Board and the Judicial Council.
6. Approve the form of and authorize the execution of a Continuing Disclosure Agreement by and among the Board, the Judicial Council, and the State Treasurer.
7. 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.
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 other related actions in connection with the authorization, issuance, sale, and delivery of said revenue bonds.

<b>Estimated Project Costs to be Financed</b>	<b>\$240,183,000</b>
<b>Estimated Par Value of Bonds to be Issued</b>	<b>\$263,635,000</b>
<b>“Not To Exceed” Par Amount</b>	<b>\$339,360,000</b>

## BOND ITEMS

### STAFF ANALYSIS ITEM— 1

Judicial Council  
2014 Series B, Lease Revenue Bonds  
New Stockton Courthouse

#### Action Requested

**If approved, the requested action would authorize the sale of the 2014 Series B lease revenue 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 site lease, a facility lease, a project delivery agreement, a continuing disclosure agreement, a purchase contract and, authorizing the delivery of a preliminary official statement, and an official statement.**

#### Scope Descriptions and Funding

**This project is within scope and cost**

#### New Stockton Courthouse

The *New Stockton Courthouse project* (“New Stockton Courthouse”) consists of construction of a new courthouse for the Superior Court of California, County of San Joaquin. The new courthouse will consist of a 310,000 square foot facility with 30 courtrooms (two of the courtrooms will be left unfinished for future build-out as additional judgeships are added). The facility will be 13 stories over a basement that includes 33 secure underground parking spaces, a secure underground in-custody transfer area and holding space that will be located on approximately 1.47 acres of state-owned land. The structure is a seismically-enhanced design, with reinforced concrete shear walls and steel moment brace frame on a cast-in-place foundation enclosed with architectural concrete cast panels and curtain wall glazing that is ballistic reinforced in key areas. The building is designed for sustainability, with a goal of achieving a Leadership in Energy and Environmental Design Silver rating from the United States Green Building Council.

The project went out to bid in December 2013 and bids were received in January 2014. An approved guaranteed maximum price, including a contractor’s contingency, was finalized on April 2014. Construction is scheduled to commence in May 2014, with the project expected to be available for beneficial occupancy in January 2017.

The total cost of the project is estimated to be \$272,939,000, of which approximately \$240,183,000 is expected to be financed from the bonds, with the balance of \$32,756,000 to be paid with cash for acquisition, design, and construction of preliminary site and utility work (currently under construction and expected to be complete by the end of April 2014). For a variety of reasons, including, but not limited to, the bids received, there will not be a construction reserve for the project. Any unforeseen costs or overruns that are not covered in the guaranteed maximum price or contingency funds are anticipated to be paid from an augmentation by the Board in consultation with the Judicial Council.

The issuance of the bonds for the project has been authorized by Chapter 712, Statutes of 2010, Item 0250-301-0660 (6), as reappropriated by Chapter 33, Statutes of 2011, and partially reappropriated by Chapter 20, Statutes of 2013.

**Staff Recommendation: Adopt the resolution.**

## BOND ITEMS

### BOND ITEM—2

**DEPARTMENT OF CORRECTIONS AND REHABILITATION (5225)  
2014 SERIES C, LEASE REVENUE BONDS  
NORTH KERN STATE PRISON: VARIOUS BUILDINGS**

*Project:* **California State Prison, Sacramento**  
*Location:* Sacramento County

*Project:* **Mule Creek State Prison**  
*Location:* Amador County

*Project:* **California State Prison, Los Angeles County**  
*Location:* Los Angeles County

*Project:* **California Institution for Men**  
*Location:* San Bernardino County

*Project:* **Folsom State Prison**  
*Location:* Sacramento County

*Leased Asset:* **North Kern State Prison: Various Buildings**  
*Location:* Kern County

*Authority:* Sections 15817.1, 15819.40(b) and (c) and 15819.401 – 15819.404 of the Government Code

**Consider adoption of a resolution to:**

1. Authorize the sale of the State Public Works Board Lease Revenue Bonds, Department of Corrections and Rehabilitation, 2014 Series C, North Kern State Prison: Various Buildings, Tax-Exempt Bonds.
2. Approve the form of and authorize the execution of an indenture, between the Board and the State Treasurer.
3. Approve the form of and authorize the execution of a First Supplemental Indenture to incorporate the bonds into the Master Indenture pooled reserve fund.
4. Approve the form of and authorize the execution of a Site Lease between the Department of Corrections and Rehabilitation (CDCR) and the Board.
5. Approve the form of and authorize the execution of Facility Lease between the Board and the CDCR.
6. Approve the form of and authorize the execution of a Continuing Disclosure Agreement by and among the Board, the CDCR, and the State Treasurer.
7. 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.
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 other related actions in connection with the authorization, issuance, sale, and delivery of said revenue bonds.

<b>Estimated Project Costs to be Financed</b>	<b>\$153,927,852</b>
<b>Estimated Par Value of Bonds to be Issued</b>	<b>\$156,785,000</b>
<b>“Not To Exceed” Par Amount</b>	<b>\$171,000,000</b>

**BOND ITEMS**

**STAFF ANALYSIS ITEM—2**

Department of Corrections and Rehabilitation  
 2014 Series C, Lease Revenue Bonds  
 North Kern State Prison: Various Buildings

Action Requested

**If approved, the requested action would authorize the sale of the 2014 Series C lease revenue 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 an indenture, a supplemental indenture, a site lease, a facility lease, a continuing disclosure agreement, a purchase contract, and an official statement, and authorizing the delivery of a preliminary official statement, and an official statement.**

Scope Description and Funding

North Kern State Prison (the “NKSP”) is located approximately three and a half miles west of the City of Delano in Kern County on approximately 640 acres of state-owned land. Construction of NSKP was completed in March 1992. NKSP houses Level I, III and reception center male inmates.

The *North Kern State Prison: Various Buildings* (collectively, the “2014C Leased Property”) consist of a total of 21 housing unit buildings on four yards, including 5 general population celled housing units, 4 reception center dormitory housing units, and 12 reception center celled housing units. Each general population housing unit is approximately 24,800 square feet and contains 100 cells, each approximately 60 square feet. Each reception center dormitory housing unit is approximately 20,600 square feet and contains 14 dorm cells which range from 535 square feet to 717 square feet each to accommodate 146 beds. Each reception center celled housing unit is approximately 20,600 square feet and contains 100 cells, each approximately 60 square feet. The exterior and interior walls of all of these buildings are constructed of precast tilt-up concrete panels and the ground floor is a concrete slab on grade while the upper floor and cell roof area are constructed precast concrete panels with cast-in-place concrete fill. The roofs over the dayrooms are framed with steel beams supporting concrete placed on steel deck, with roofing and insulation above. The buildings are equipped with electricity, water, wastewater, natural gas, fire alarm, telecommunications, and institutional security systems, including public address, intercom, door control, and personal duress alarm systems. Site improvements associated with each building include asphaltic concrete paving and storm water collection systems.

The proceeds of the 2014C Bonds will be used to fund the design and construction of five authorized health care facilities improvement projects, which are different than the buildings described above and will be secured by the Site Lease and Facility Lease for the NKSP Leased Property.

Assembly Bill 900 authorizes the Department of Corrections and Rehabilitation to design and construct new buildings, renovate existing buildings, and make necessary ancillary improvements at facilities to provide medical, dental, and mental health treatment. The purpose of the Health Care Facility Improvement Program is to remedy deficiencies in the health care components at each CDCR institution as established by the California Correctional Health Care Services program. Implementation of the Health Care Facility Improvement Program will provide appropriate and adequate medical diagnostic and treatment space to the entire CDCR inmate population.

The proceeds of the 2014C Bonds will be used to fully finance the health care facility improvement projects at the following three institutions: California State Prison, Sacramento; Mule Creek State Prison; and California State Prison, Los Angeles County. A portion of the 2014C Bonds will be used to finance the remaining costs of the health care facility improvement project at California Institution for Men, which was partially financed with a portion of the Board’s 2013G Bonds. The remaining proceeds of the 2014C Bonds will be used to partially finance the health care facility improvement project at Folsom State Prison.

**Staff Recommendation:     Adopt the resolution.**

## CONSENT ITEMS

### CONSENT ITEM—1

**CALIFORNIA HIGH-SPEED RAIL AUTHORITY (2665)  
INITIAL OPERATING SEGMENT, SECTION 1  
VARIOUS COUNTIES**

Authority: Chapter 152, Statutes of 2012, Item 2665-306-0890 (1)  
Chapter 152, Statutes of 2012, Item 2665-306-6043 (1)  
Chapter 20, Statutes of 2013, Item 2665-301-0890 (1)  
Chapter 20, Statutes of 2013, Item 2665-301-6043 (1); and  
Section 13332.19 of the Government Code

The Initial Operating Segment, Section 1 (IOS-1), also referred to as the First Construction Segment, is the first phase of the building of the California High-Speed Train System (System) and will provide the track and structures to support the system's backbone. The IOS-1 is broken into multiple Construction Packages for design-build solicitation purposes.

The requested action is to consider approving the performance criteria for the second design-build contract, designated as Construction Package 2-3 (packages 2 and 3 are now combined). Construction Package 2-3 will extend more than 60 miles from East American Avenue in Fresno County to one mile north of Kern County..

**Consider approving performance criteria for Construction Package 2-3 of the Initial Operating Segment, Section 1.**

## CONSENT ITEMS

### STAFF ANALYSIS ITEM—1

California High-Speed Rail Authority  
Initial Operating Segment, Section 1  
Various Counties

Action Requested

**The requested action would approve the performance criteria for Construction Package 2-3 of the Initial Operating Segment, Section 1.**

Scope Description

**This project is within scope.** The California High-Speed Train System (System) consists of Phase 1, which would provide approximately 520 miles of the System extending from San Francisco to Los Angeles/Anaheim; and Phase 2 which would extend to Sacramento and San Diego. For purposes of environmental work and the development of performance criteria, the System was divided into 10 geographical segments. Two of these segments, Merced to Fresno and Fresno to Bakersfield, are within the First Construction Segment (FCS).

The FCS is the first phase of the System and provides the track and structures to support the System's backbone. It will be approximately 130 miles in length and will require the acquisition of approximately 1,100 parcels of land in the counties of Madera, Fresno, Tulare, Kings and Kern.

The FCS is further broken into four sections for design-build solicitation purposes to develop the infrastructure and grading necessary for track work. These sections are called construction packages and are numbered sequentially. Also, there is a fifth construction package for track work across the four sections that comprise the FCS. Within each construction package are performance criteria, which are the specifications included in the design-build solicitation package that will be released to the design build firms approved to compete for the construction package contract.

Construction Package 1, reflecting the northernmost 29 miles to of the FCS, had its performance criteria approved at the March 2012 Public Works Board meeting. Construction Package 2-3 (originally two separate packages, but combined to generate efficiencies of scale) will extend more than 60 miles in length through the Central Valley from East American Avenue in Fresno County to one mile north of Kern County. The package will include ground-level and aerial structures, such as viaducts, bridges, and grade separations. The proposed design-build contract is structured to require the Authority to provide, and for Finance to approve, a Notice to Proceed (NTP) prior to commencement of work related to design and construction.

Funding and Cost Verification

**This project is within cost.** In 2008, Proposition 1a passed, providing \$9.0 billion in High-Speed Passenger Train general obligation bonds (HST bonds) for the Authority. The Budget Acts of 2010, 2011 and 2012, plus Executive Orders C 11/12-17 and C 11/12-18, appropriated a cumulative \$577.4 million in HST bonds and federal funds for acquisition (environmental review) and preliminary design (development of performance criteria) for the full System. The 2012 Budget Act appropriated \$5.85 billion in HST bonds and federal funds for right-of-way acquisition and construction of the FCS. The 2013 Budget Act consolidated all previous Budget Act appropriations for environmental review and preliminary design into a single appropriation.

In the table below, the total estimated project costs reflect the environmental review and construction for the System, and property acquisition and construction for the FCS:

\$6,427,100,000	total authorized project costs
\$6,427,100,000	total estimated project costs
\$2,343,711,000	project costs previously allocated: \$76,560,000 environmental review, \$82,553,000 preliminary design, and \$2,184,598,000 project costs previously allocated for Construction Package 1
\$ 2,331,000,000	project costs to be allocated for Construction Package 2-3: \$2,044,000,000 for design, construction, contingencies, construction management and program management; and \$287,000,000 for right of way acquisition
\$ 1,752,389,000	project costs to be allocated for the remainder of the FCS, and environmental review and preliminary design of the System

## CEQA AND NEPA

A blended CEQA/NEPA environmental document is prepared for the project. A Notice of Determination under CEQA is anticipated to be filed in mid-May 2014 for the Fresno to Bakersfield segment, which includes the Construction Package 2-3 section. The anticipated issuance of the Record of Decision by the Federal Railroad Administration will follow in spring of 2014. It is expected that the Authority will have completed CEQA and NEPA requirements for the Fresno to Bakersfield segment prior to the time to award the design-build contract.

## Real Estate Due Diligence

A certain level of due diligence will be performed prior to acquisition of each parcel along the FCS in order to set just compensation. Construction can only take place on acquired parcels.

## Project Anticipated Schedule

Approve performance criteria	April 2014
Issue design-build solicitation	April 2014
Award design-build contract	November 2014
Complete construction	June 2018

## Other:

- The approval of the performance criteria is necessary at this time in order to maximize the likelihood that the Authority will be able to expend the allocated Federal American Recovery and Reinvestment Act (ARRA) funds. Any funds not expended and reimbursed by ARRA by September 30, 2017 would be lost. The process to select a design-build contractor and award a contract will take approximately seven months from April to November and an additional month to award the NTP. Complicated components of this project, such as bridges and viaducts, can take multiple years to design and construct. It is anticipated that the Authority will have Federal funding authority for Construction Package 2-3. However, the Request for Proposals (RFP) contains language that an award is subject to cancellation for any reason. Specifically, in the RFP's Instructions to Proposers, Section 6.13(a) of the "Authority's Reserved Rights" section, it provides as follows:

"The Authority reserves to itself all rights available to it under applicable law, including without limitation, the following, with or without cause and with or without notice: a. Modify, withdraw or cancel this RFP in whole or in part at any time prior to the execution of the Contract by the Authority, without incurring any costs obligations or liabilities."...

Further, the RFP provides:

"The Authority's issuance of this RFP does not constitute a commitment to undertake the Project [Construction Package 2-3] or enter into a contract for all or any portion of this Project. The decision-makers continue to retain full discretion to select a no-build alternative for the Project or to select a project that is different from the alternatives identified in the Revised Draft Environmental Impact Report/Supplemental Draft Environmental Impact Statement.... Nothing contained in this RFP is intended to modify, limit, or otherwise constrain the environmental process, or commit the Authority or any other entity to undertake any action with respect to the Project."

- The Authority will start acquiring parcels within Construction Package 2-3 once environmental clearance and site selection are completed in the spring of 2014. It is also anticipated that acquisition of some of these parcels will require eminent domain. Similarly, completion of the environmental process is a prerequisite to approving the NTP.
- Proposition 1a requires the Authority to submit funding plans to request certain capital cost funding and to expend it. The most recently approved Business Plan was released in April 2012. In February 2014, the Authority released the draft 2014 Business Plan, which will be submitted to the legislature after public comment and adoption by the Authority's Board of Directors on May 1, 2014. The revised plan continues to reflect the FCS as the backbone of the System and necessary step to construction, and therefore, support the need for the release of the RFP for Construction Package 2-3 in as timely a manner possible.

**Staff Recommendation:      Approve the performance criteria for Construction Package 2-3 of the Initial Operating Segment, Section 1.**

## CONSENT ITEMS

### CONSENT ITEM—2

DEPARTMENT OF VETERANS AFFAIRS (8955)  
CALIFORNIA CENTRAL COAST VETERANS CEMETERY, FORT ORD  
MONTEREY COUNTY

*Authority: Military and Veterans Code Section 1450 et seq.  
Government Code Section 15853  
Chapter 649, Statutes of 2013, Section 8  
Chapter 20, Statutes of 2013, Item 8955-301-3013(1)*

**Consider approving preliminary plans**

## CONSENT ITEMS

### STAFF ANALYSIS ITEM—2

Department of Veterans Affairs  
California Central Coast Veterans Cemetery, Fort Ord Site  
Monterey County

Action requested

**If approved, the requested action would approve preliminary plans**

Scope Description

**This project is within scope.**

This project consists of the Phase I development of approximately 16.9 acres of the 84.4 acre site, with the remaining acreage to be developed at a later date. Phase I will include the design and construction of 5,000 columbarium burial sites, a 1,600 square foot administration building with public information and restrooms, a 2,800 sf maintenance facility with a wash bay, vehicle and equipment storage, a service yard, and a committal shelter. In addition, all required utilities would be brought in to support this phase as well as potential future phases.

### Funding and Cost Verification

**This project is within cost.** Military and Veterans Code Section 1450 et seq, as amended by Chapter 694, Statutes of 2013 (SB 232) authorizes a funding mechanism where funds are deposited into an endowment fund and then appropriated by the legislature for transfer to an operations fund. The 2013 Budget Act includes such a transfer and \$1,299,000 for the preliminary plans and working drawings phase of the project. Construction costs of \$8,217,000 (\$1,420,000 endowment fund, \$6,797,000 federal funds) are requested for funding in the 2014-15 Governor's Budget.

Overall project costs are \$9,414,000 of which \$6,797,000 will be provided by a United States Department of Veterans Affairs (USDVA) grant and \$2,617,000 will be funded from the endowment fund.

\$1,299,000	total authorized cost for preliminary plans and working drawings
\$9,414,000	total estimated project cost
\$ 665,000	project costs previously allocated: preliminary plans
\$8,749,000	project costs to be allocated: \$532,000 working drawings, and \$8,217,000 construction (\$6,328,000 contract, \$316,000 contingency, \$670,000 A&E, and \$903,000 other project costs)
\$8,217,000	future funding: construction
\$ 102,000	anticipated project savings: preliminary plans and working drawings

### CEQA

A Notice of Exemption was filed with the State Clearinghouse on November 8, 2013, and the 35-day statutes of limitation expired on December 12, 2013, without challenge.

The Environmental review process for the State of California is generally performed during the preliminary plans phase of a project. However, the CCCVC project is of a particular nature and required special consideration in order to secure federal funding within the 2014 fiscal year. This consideration is due to the USDVA cemetery grant award schedule and an accelerated project schedule that is in line with the USDVA grant award process. This accelerated schedule requires the CEQA and NEPA environmental processes to occur concurrently during the preliminary plans and working drawings phases. A failure to be in alignment with the USDVA cemetery grant program would prohibit contract award, consequently preventing the construction phase of the project from occurring.

A grant award from the USDVA Cemetery grant program requires full environmental documentation to be completed, which includes CEQA and NEPA requirements prior to approval to proceed to bid. The grant also requires transfer and title of the property to The California Department of Veterans Affairs. Finally, a grant award is contingent upon completion of 100 percent working drawings and final bid tabulation. All components must be completed prior to the USDVA federal funding schedule expiration date.

### Project Schedule

Approve preliminary plans	April 2014
Complete working drawings	May 2014
Start construction	November 2014
Complete construction	January 2016

**Staff Recommendation: Approve preliminary plans**