



AGENDA WITH ANALYSIS

STATE PUBLIC WORKS BOARD

Monday, September 18, 2017, at 10:00 a.m.
in Room 112, State Capitol, Sacramento, California

I. Roll Call

II. Bond Items

Page 2

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 Patrice Coleman at (916) 445-9694 or e-mail to patrice.coleman@dof.ca.gov, five days prior to the meeting.

BOND ITEM

BOND ITEM—1

**DEPARTMENT OF CORRECTIONS AND REHABILITATION (5225)
2017 SERIES D, LEASE REVENUE BONDS
VARIOUS CORRECTIONAL FACILITIES**

Project: **San Luis Obispo Jail**
Location: San Luis Obispo County
Authority: Government Code Sections 15820.90-15820.907 (AB 900)

Project: **Riverside Juvenile Center**
Location: Riverside County
Authority: Welfare and Institutions Code Section 1970-1978 (SB 81)

Project: **Stanislaus Public Safety Center**
Location: Stanislaus County
Authority: Government Code Sections 15820.91-15820.917 (AB 900, P2)

Project: **Tuolumne Juvenile Center**
Location: Tuolumne County
Authority: Welfare and Institutions Code Section 1970-1978 (SB 81)

Project: **Los Angeles Juvenile Center**
Location: Los Angeles County
Authority: Welfare and Institutions Code Section 1970-1978 (SB 81)

Consider adoption of a resolution to:

- 1. Authorize the sale of the State Public Works Board Lease Revenue Bonds, Department of Corrections and Rehabilitation, 2017 Series D, Various Correctional Facilities, Tax-Exempt Bonds.**
- 2. Approve the form of and authorize the execution of a Supplemental Indenture to the Master 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 for each of the above named projects.**
- 4. Approve the form of and authorize the execution of a Facility Lease between the Board and the CDCR for each of the above named projects.**
- 5. Approve the form of and consent to and acknowledge a Facility Sublease between the CDCR and each of the participating counties.**
- 6. Approve the form of and authorize the execution of a Continuing Disclosure Agreement.**
- 7. Approve the form of a Notice of Sale.**
- 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.

Estimated Project Costs to be Financed	\$171,922,000
Estimated Par Value of Bonds to be Issued	\$155,645,000
“Not To Exceed” Par Amount	\$190,310,000

BOND ITEM

STAFF ANALYSIS ITEM—1
 Department of Corrections and Rehabilitation
 2017 Series D, Lease Revenue Bonds
 Various Correctional Facilities

Action Requested

If approved, the requested action would authorize the sale of the 2017 Series D 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, site leases, facility leases, a continuing disclosure agreement, and authorizing the delivery of a preliminary official statement, and an official statement. This action would also approve the form of and consent to and acknowledge facility subleases.

Scope Description and Funding

These projects are within scope and cost.

All projects will be sold in one series through a competitive sale, which will be bid instead of negotiated, with a maximum maturity being no longer than a 15-year term. CDCR will have the responsibility to pay debt service/rent and insurance through the Facility Lease. CDCR will have a Facility Sublease with each of the individual counties and the counties will be responsible to operate and maintain their respective projects within their funds.

San Luis Obispo Jail

The San Luis Obispo Jail (the “San Luis Obispo Project”) is located within the City of San Luis Obispo in San Luis Obispo County on approximately 2 acres. The San Luis Obispo Project consists of the construction of an approximately 46,000 square foot facility to house and provide treatment and program space for approximately 200 female inmates. The San Luis Obispo Project includes two buildings consisting of a housing building (the “Housing Building”) and a medical building (the “Medical Building”). Both buildings are being constructed primarily using steel, with interior high traffic areas utilizing concrete masonry unit and concrete for long-term durability.

The Housing Building, which is complete, consists of an approximately 38,000 square foot two-story structure adjacent to the existing jail. This building includes two housing units. One

housing unit has 96 dormitory beds in 12 rooms. The other housing unit houses 96 inmates in 48 cells. In addition, the Housing Building also includes six special use isolation cells for medical or disciplinary reasons and two safety cells. Each housing unit includes staff control areas, dayrooms, an exercise yard, a video visitation room, an interview room, a multi-purpose room to support rehabilitative and training programs, a vocational programs room, and storage space.

The Medical Building, which is under construction, is designed for approximately 8,000 square feet and will provide exam rooms to support medical treatment, a dental operatory, rooms to provide mental health services and confidential mental health interviews, and rooms to support rehabilitative programming. In addition, the building will include pharmacy/medication distribution space, and staff office space. The Medical Building will be built on the site of the previous women's jail facility, which was demolished as part of the project.

Several functions necessary for the operation of the facility were incorporated from the previous jail facility, including intake/booking, receiving areas and other processing areas, as well as a central kitchen that prepares food for all inmates housed in the jail. To the extent that such facilities are not part of the San Luis Obispo Project, the San Luis Obispo Easement Agreement grants easements to CDCR and the Board to such facilities 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 San Luis Obispo Project.

The total cost of the San Luis Obispo Project is estimated to be \$39.8 million, of which \$25.1 million is expected to be financed with proceeds from the 2017D Bonds with the balance funded from other sources. The Housing Building is complete and was available for occupancy in April 2017. The Medical Building is expected to be completed in June 2018. The Board is being asked to determine that the fair rental value of the completed Housing Building exceeds the Base Rental due under the 2017D Facility Lease with respect to the San Luis Obispo Project and that, should the Medical Building not be completed, it will not result in an abatement of rent.

Riverside Juvenile Center

The Riverside Juvenile Center, also known as the Van Horn Youth Center (Project) includes demolition of an existing 20,000 square foot (sf) building and design and construction of a new, approximately 60,600 sf single story building on approximately 5.3± county-owned land located in the city of Riverside. The Project provides housing, program, healthcare, custody, administrative, and support services space to address the needs of approximately 106 high-risk juvenile offenders.

The housing and program space consists of approximately 39,400 sf and includes four 20-cell housing units, one 6-cell assessment unit, and one transitional housing unit with 9 dormitory rooms. Each living unit includes a dayroom, space for group and individual therapy, a classroom, and an interview room. The housing units have access to a shared classroom and recreational space.

The Project also includes approximately 21,200 sf for healthcare space, a central control room, kitchen and food storage areas, a laundry area, administrative space, and support services space. The support services space includes a general visitation room with two family bonding rooms, a warehouse, a maintenance shop, and staff locker rooms.

The project also includes parking lots, a sally port, a central plant, a warehouse dock, emergency access roads, and all necessary appurtenances. The Project is constructed primarily

of concrete and steel for long-term durability, and includes cost effective “green building” principles designed to achieve LEED Certification.

The Riverside Juvenile Center is complete and was available for occupancy beginning in July 2017. The total cost is estimated to be \$38.3 million, of which \$24.7 million is expected to be financed with proceeds from the 2017D Bonds with the balance funded from other sources.

Stanislaus Public Safety Center

The Stanislaus Public Safety Center (the “Stanislaus Project”) includes the design and construction of two new buildings totaling approximately 154,000 square feet of housing, treatment, and program space on approximately 9 acres of county-owned land that also serves as the site for the county’s existing public safety center. The Stanislaus Project includes two new buildings constructed primarily of steel and concrete for security and long-term durability.

The first building is a jail expansion of approximately 140,000 square feet for two maximum security adult detention housing units, one medical/mental health housing unit, a health services unit, a security administration (control) center, and all necessary circulation and common space. The jail expansion building provides two maximum security housing units that each have 240 beds; the medical/mental health housing unit that has 72 beds, for a total of 552 beds for the entire building.

The second building is a day reporting center that contains approximately 14,000 square feet. It includes a public lobby and reception area, administration space, a processing area, classrooms, a multipurpose room, and counseling rooms. Both buildings are dependent on the existing, adjacent facilities for several core operational components, including kitchen and laundry services; intake, release, and transportation; and staff support space.

The Stanislaus Project also includes approximately 200 parking spaces for staff and visitor parking.

The Stanislaus Project is complete and was available for occupancy beginning in December 2016. The total cost of the Stanislaus Project is estimated to be \$85.9 million, of which \$77.36 million is expected to be financed with proceeds from the 2017D Bonds with the balance funded from other sources.

Tuolumne Juvenile Center

The Tuolumne Juvenile Center, also known as the Mother Lode Juvenile Facility (Project) includes a new, single story building with a mezzanine level on approximately 2.5 acres of county-owned land. This building provides approximately 21,200 square feet of housing, program, healthcare, custody, administration, and support services space. The new building was constructed primarily using steel, with interior high traffic areas utilizing concrete masonry unit and concrete for long-term durability.

The new building will include approximately 7,800 sf of housing space to provide 6 single and 12 double occupancy sleeping rooms with a shared dayroom area. The Project also contains classrooms and program space for rehabilitation and education programs, staff and storage areas, a kitchen, health care service areas; administrative and support service areas; a visitation/intake area and public lobby; and facility maintenance rooms.

This Project also includes approximately 45 parking spaces for both staff and visitor parking as part of this project.

The Tuolumne Juvenile Center is complete and was available for occupancy beginning in April 2017. The total cost is estimated to be \$20.3 million, of which \$16 million is expected to be financed with proceeds from the 2017D Bonds with the balance funded from other sources.

Los Angeles Juvenile Center

The Los Angeles Juvenile Center, also known as Camp Kilpatrick, includes several new buildings totaling approximately 65,000 square feet on approximately 11 acres of county-owned land in Malibu. The Project provides 120 beds and provide housing and program space for moderate to high-risk juvenile offenders. The Project includes nine buildings constructed primarily using steel, with interior high traffic areas utilizing concrete masonry unit, high-impact drywall framing, and concrete for long-term durability.

The housing space consists of approximately 26,000 square feet and will include five buildings (living units) with small group, cottage-style housing. Each of the five "Cottages" will contain two living areas for 12 residents each that are mirror images of each other. Each living unit will include personal laundry, admin and support, and counseling rooms. Additionally, each half of the Cottages will have a dayroom, toilet/shower space, a group meeting room, a recreation/activity room, and an outside patio.

The Project includes a two-story administration building with offices, conference rooms, central control, communications room, and public waiting; staff support space that includes staff sleeping rooms, restrooms, and showers; and medical and mental health services space that includes nurses station/offices, exam room, telemedicine exam room, and medical storage. The Project includes a maintenance/warehouse building that will provide storage, laundry, and facility maintenance space. In addition, the Project includes a support building that will provide a multipurpose commons space (which will be used for dining, visitation, and other activities), a culinary arts classroom and a full-service kitchen with loading dock; intake and release area with vehicle sally port, network/communications rooms; and full-size indoor gymnasium. The educational building includes administrative spaces, 10 classrooms, Building Skills Vocational Classroom, Resource Pull-Out Room, and a Library. These spaces will be used to provide curriculum for GED testing, comprehensive high school, vocational training, and college-bound students.

The Los Angeles Project is complete and was available for occupancy beginning in July 2017. The total cost is estimated to be \$48.6 million, of which \$28.7 million is expected to be financed with proceeds from the 2017D Bonds with the balance funded from other sources.

Staff Recommendation: Adopt the resolution.

BOND ITEM

BOND ITEM—2

**DEPARTMENT OF CORRECTIONS AND REHABILITATION (5225)
2017 SERIES E, LEASE REVENUE BONDS
CALIFORNIA STATE PRISON, SOLANO: VARIOUS BUILDINGS**

Leased Asset: **California State Prison, Solano: Various Buildings, to finance and refinance Health Care Facility Improvement Program Projects at the following facilities:**

California Correctional Center, Lassen County; Folsom State Prison, Sacramento County; California Correctional Institution, Kern County; High Desert State Prison, Lassen County; California Institution for Men, San Bernardino County; Kern Valley State Prison, Kern County; California Institution for Women, San Bernardino County; Mule Creek State Prison, Amador County; California Medical Facility, Solano County; North Kern State Prison, Kern County; California Men's Colony, San Luis Obispo County; Pleasant Valley State Prison, Fresno County; California State Prison, Corcoran, Kings County; Deuel Vocational Institution, San Joaquin County; Salinas Valley State Prison, Monterey County; California State Prison, Sacramento, Sacramento County; Sierra Conservation Center, Tuolumne County; Valley State Prison, Madera County; Central California Women's Facility, Madera County; Wasco State Prison, Kern County; Richard J. Donovan Correctional Facility, San Diego County; Substance Abuse Treatment Facility and State Prison, Corcoran, Kings County; California State Prison, Solano, Solano County; Correctional Training Facility, Monterey County.

Location: Solano 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, 2017 Series E, California State Prison, Solano: Various Buildings, Tax-Exempt Bonds.**
- 2. Approve the form of and authorize the execution of an Indenture, between the State Treasurer and the Board.**
- 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 for the above named asset.**
- 5. Approve the form of and authorize the execution of a Facility Lease between the Board and the CDCR for the above named asset.**

6. **Approve the form of and authorize the execution of a Continuing Disclosure Agreement.**
7. **Approve the form of a Notice of Sale.**
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.**

Estimated Project Costs to be Financed	\$64,114,000
Estimated Par Value of Bonds to be Issued	\$57,570,000
“Not To Exceed” Par Amount	\$64,600,000

BOND ITEM

STAFF ANALYSIS ITEM—2

Department of Corrections and Rehabilitation
2017 Series E, Lease Revenue Bonds
California State Prison, Solano:

Action Requested

If approved, the requested action would authorize the sale of the 2017 Series E 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, site leases, facility leases, a continuing disclosure agreement, and authorizing the delivery of a preliminary official statement, an official statement and any other necessary documents.

Scope Description and Funding

These projects are within scope and cost.

The proceeds of the 2017E Bonds will be used to finance and refinance health care facility improvement program projects at the following twenty-four institutions: California Correctional Center, Lassen County; Folsom State Prison, Sacramento County; California Correctional Institution, Kern County; High Desert State Prison, Lassen County; California Institution for Men, San Bernardino County; Kern Valley State Prison, Kern County; California Institution for Women, San Bernardino County; Mule Creek State Prison, Amador County; California Medical Facility, Solano County; North Kern State Prison, Kern County; California Men’s Colony, San Luis Obispo County; Pleasant Valley State Prison, Fresno County; California State Prison, Corcoran, Kings County; Deuel Vocational Institution, San Joaquin County; Salinas Valley State Prison, Monterey County; California State Prison, Sacramento, Sacramento County; Sierra Conservation Center, Tuolumne County; Valley State Prison, Madera County; Central California Women’s Facility, Madera County; Wasco State Prison, Kern County; Richard J. Donovan Correctional Facility, San Diego County; Substance Abuse Treatment Facility and State Prison, Corcoran, Kings County; California State Prison, Solano, Solano County; Correctional Training Facility, Monterey County (collectively, the “2017E Projects”).

The 2017E Projects are included within CDCR's authority to improve facilities in the health care components at each CDCR institution, and in particular, to provide appropriate and adequate medical diagnostic and treatment space to the entire CDCR inmate population.

The California State Prison, Solano (SOL) will be the Leased Asset in the financing and will secure the payment on the Bonds. SOL is located in Vacaville in Solano County, approximately 30 miles southwest of downtown Sacramento. SOL's design capacity is 2,610 and provides housing for medium security inmates.

The Leased Asset was completed in 1985 and consists of a total of 12 housing unit buildings and the land upon which they are located, which together constitute only a portion of the facilities and property located at SOL. Twelve of the housing units are each approximately 24,400 square feet and contain 100 cells (50 cells on the ground floor and 50 cells on the mezzanine). A valuation was completed by an independent consultant as of June 29, 2017 for the Leased Asset, valuing the Leased Asset at \$64,600,000 as of that date.

Staff Recommendation: Adopt the resolution.