



STAFF ANALYSIS

Monday, September 21, 2020 at 1:00 p.m.

This meeting will take place entirely virtually and can be accessed through the following link or phone numbers*:

<https://zoom.us/j/91576780270?pwd=cIIYeHp5cFFZMGkybzlodTZEZHdsZz09>

Meeting ID: 915 7678 0270

Passcode: k?7J*4w5

Or

Phone: (669) 219 2599**

(669) 900 9128**

(213) 338 8477**

Meeting ID: 915 7678 0270

Passcode: 01845052

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|-------------|------------------------|------|----|
| I. | Roll Call | | |
| II. | Bond Items | Page | 2 |
| III. | Minutes | Page | 10 |
| IV. | Consent Items | Page | 10 |
| V. | Other Business | Page | 12 |
| VI. | General Public Comment | Page | 12 |
| VII. | Reportables | Page | 13 |

*Due to the Governor's proclamation of a State of Emergency resulting from the threat of COVID-19, and pursuant to the Governor's Executive Order N-29-20, issued March 17, 2020, the Board meeting will take place entirely virtually on September 21, 2020. Members of the Board will participate in this meeting remotely via telephonic or video conference. The meeting may be observed through the Zoom link and telephone number identified above. If using the Zoom platform, please install the Zoom application and enter the virtual conference room prior to the 10:00 a.m. meeting start time. Members of the public may participate through telephone, the Zoom platform, or by submitting public comment in advance. If members of the public wish to submit comments in advance, the Board asks members of the public to provide written comments to Kat.Lee@dof.ca.gov prior to the meeting. To the extent possible, all written comments will be distributed to the members of the Board prior to the meeting.

** This phone number **IS NOT** a toll free number.

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 State Public Works Board website. [Please click here to view](#). The full Board member briefing package is available upon request. Please send an email to Kat.lee@dof.ca.gov.

Individuals who need disability-related accommodation are invited to make their requests and preferences known to Kat Lee at (916) 445-9694 or e-mail to Kat.lee@dof.ca.gov , five days prior to the meeting.

BOND ITEMS

BOND ITEM—1

**DEPARTMENT OF FORESTRY AND FIRE PROTECTION (3540)
DEPARTMENT OF CORRECTIONS AND REHABILITATION (5225)
2020 SERIES D, LEASE REVENUE BONDS
VARIOUS CAPITAL PROJECTS**

VARIOUS PROJECTS:

Project: Vina Helitack Base: Replace Facility
Location: 4520 Highway 99, Vina, Tehama County, California, 96092
Authority: Chs. 268, Budget Act of 2008, Item 3540-301-0660 (3), as reappropriated by Chs. 74, Budget Act of 2019, Item 3540-490 and Chs. 93, Budget Act of 2015, Item 3540-301-0660 (5)

Project: Humboldt Juvenile Project
Location: 2006 Harrison Avenue, Eureka, CA 95501
Authority: Section 1970-1978 of the Welfare and Institutions Code

Project: Monterey Juvenile Project
Location: 1420 Natividad Road, Salinas, CA 93906
Authority: Section 1970-1978 of the Welfare and Institutions Code

Consider adoption of a resolution to:

- 1. Authorize the sale of the State Public Works Board lease revenue bonds to finance and refinance the costs of the construction related to the above described projects for the Department of Forestry and Fire Protection and the Department of Corrections and Rehabilitation.**
- 2. Approve the form of various documents related to, and approve and authorize other related actions in connection with the authorization, issuance, sale, and delivery of said revenue bonds.**

| | |
|--|---------------------|
| Estimated Project Costs to be Financed | \$63,720,023 |
| Estimated Par Value of Bonds to be Issued | \$55,560,000 |
| Estimated "Not To Exceed" Par Amount | \$72,310,000 |

STAFF ANALYSIS ITEM—1

Department Of Forestry and Fire Protection (3540)
Department of Corrections (5225)
2020 Series D, Lease Revenue Bonds
Various Capital Projects

Action Requested

If approved, the requested action would authorize the sale of the 2020 Series D lease revenue bonds and approve the form of various documents related to, and approve and authorize other related actions in connection with, the issuance, sale, and delivery of said revenue bonds.

Background

Welfare and Institutions Code 1970-1978 authorizes the State Public Works Board (Board) to issue bonds to finance a portion of the cost of the design and construction of certain local juvenile facilities. This action would authorize the sale of lease revenue bonds, in part, to provide funds to finance and refinance, on behalf of the Department of Corrections and Rehabilitations ("CDCR") the Humboldt Juvenile Project in Humboldt County and Monterey Juvenile Project in Monterey County.

In addition, the Budget Act of 2008, as reappropriated by the Budget Act of 2009, and the Budget Act of 2015 authorize the Board to issue bonds to fund the construction of the Department of Forestry and Fire Protection ("CalFire") Vina Helitack Base: Replace Facility.

Prior to the construction of the Humboldt Juvenile Project and the Monterey Juvenile Project, the counties of Humboldt and Monterey leased the site of the Humboldt Juvenile Project and the Monterey Juvenile Project, respectively, to CDCR. Concurrent with the issuance of the bonds, CDCR and CalFire will enter into site leases with the Board for their respective projects, under which the Board will lease the sites at which the projects are located from CDCR and CalFire. The Board will lease the respective facilities to CDCR and CalFire. The rental payments under these facility leases secure the payment of the principal and interest on the Board's bonds. Additionally, with the consent of the Board, CDCR will enter into a facility sublease with each respective county for the county's use, operation, and maintenance of the projects.

The leases for the CDCR project are scheduled to terminate at the end of 15 years. After the termination the projects will be owned by the respective counties. The bonds are scheduled to be fully paid and the lease for the CalFire project is scheduled to terminate in 25 years.

The 2020 Series D bonds will be sold through a competitive sale on the basis described in the form of Notice of Sale.

Projects:

Department Of Forestry and Fire Protection (3540):

The CalFire Vina Helitack Base: Replace Facility project (Helitack Base) included the construction of a 22-bed barracks/mess hall building, 2-bay apparatus building, rescue training tower, new hangar building, generator/pump storage building, and related site work. The project also included the demolition of identified structures, including an existing hangar building, 2 lighted helipads, the fuel dispensing system, and a radio tower. The Helitack Base was primarily made up of single story buildings, constructed

with wood and steel, wood panel exteriors, and metal roofs. The Helitack Base provides a base for helicopters to fight fires in northern California and can accommodate CalFire's newest helicopters. The Helitack Base serves and safeguards the people, property, and resources of California by improving the delivery of CalFire's core capabilities of emergency response and natural resource protection. The Vina Helitack Base was completed January 2020. The estimated cost of this project is \$15,946,000, and the approximate amount to be financed is \$14,233,000.

Department of Corrections and Rehabilitation (5225):

Monterey Juvenile Project

The Monterey Juvenile Project consists of the design and construction of an expansion and renovation to the existing juvenile facility on county-owned land in Salinas. This project includes demolition of several existing buildings; renovation to the existing dormitory; construction of two new housing buildings; a new administration, visitation, and medical services building; a modular/portable building for equipment storage; a new school and gymnasium; and public and staff parking areas.

The housing buildings will consist of two new standard-security housing buildings providing 30 beds each, and the renovation of the 20-bed dormitory area in an existing standard-security housing building, for a total of 80 beds. Each housing building will include a unit security control room, showers, interview/exam rooms, day rooms, and outdoor recreation space. Dining will be provided within the day use areas of the housing units which have enough tables and chairs to provide individual seating for 80 youth. Operationally, kitchen and institutional laundry services will continue to be provided off site through the Monterey County Youth Center or outside vendor. Minimal laundry accommodations will be provided as part of the new administration building intake processing and personal property storage area.

The new administration, visitation, and medical services building will feature various program spaces, including areas for religious and mental health services; contact and non-contact visitation; central control; medical facilities; staff offices; intake processing; release; staff training area; staff locker rooms; and a staff break room. The modular/portable building will provide equipment storage. Certificates of Occupancy (COO) were received for four of the buildings on August 4, 2020 and the fifth COO was received on August 14, 2020 for Phase I and the final modular/portable building for equipment storage and the recreation yards, Phase II, are anticipated to be completed by June 30, 2021. In Phase I, the two new housing buildings received a conditional COO that is anticipated to become permanent in October 2020 based on the completion of some final glazing work.

The total cost of the Monterey Juvenile Project is approximately \$59.5 million, of which approximately \$35 million is expected to be financed with the proceeds of the 2020D Bonds, with the balance to be funded from other sources.

Humboldt Juvenile Project

The Humboldt Juvenile Project includes the design and construction of a new, approximately 19,000 square feet (sf) medium/maximum security juvenile facility which includes housing space of approximately 8,200 square feet of single and double-occupancy dormitory-style rooms with common dayroom areas. The project is located on approximately 0.6 acres of a greater 3 acres of county-owned land. The project

also includes the demolition and removal of the old juvenile hall building, construction of a new breezeway to connect the new juvenile facility with the existing regional center, and construction of new recreation yards. This project will also include a new access road, a new parking area, a loading dock, and electrical service upgrades to the existing regional probation office.

This facility will provide housing, program, healthcare, custody, administrative, support space, recreation yard, and a secure vehicle yard. It will also provide 10,800 square feet for administrative and support services including a new facility control room, education rooms, health services, food services, laundry, visitation and public lobby spaces, facility maintenance, staff and storage areas.

The Humboldt Juvenile Project is estimated to be complete and available for occupancy in March 2021. The total cost of the Humboldt Juvenile Project is approximately \$19.3 million, of which approximately \$12.9 million is expected to be financed with the proceeds of the 2020D Bonds, with the balance to be funded from other sources.

Staff Recommendation: **Adopt the resolution.**

BOND ITEM—2

DEPARTMENT OF FORESTRY AND FIRE PROTECTION (3540)
DEPARTMENT OF CORRECTIONS AND REHABILITATION (5225)
DEPARTMENT OF STATE HOSPITALS (4440)
DEPARTMENT OF GENERAL SERVICES (7760)
2020 SERIES E, LEASE REVENUE REFUNDING BONDS
VARIOUS CAPITAL PROJECTS

VARIOUS PROJECTS:

Series 2005 F – Department of General Services

1. The Food and Agriculture Building

Series 2005 G – Department of Corrections and Rehabilitation

1. California Men's Colony, San Luis Obispo: D-Quad Mental Health Services Building
2. California Medical Facility, Vacaville: Ambulatory Care Clinic
3. California Medical Facility, Vacaville: Unit V Modular Housing
4. California Correctional Center, Susanville: Antelope Camp Dorms
5. Richard J. Donovan Correctional Facility, San Diego: Substance Abuse Program Modular Replacement Building

Series 2006 C – Department of Forestry and Fire Protection

1. Antelope Forest Fire Station: Replace Barracks/Mess Hall
2. Buckhorn Forest Fire Station: Replace Apparatus Building
3. Fort Jones Forest Fire Station: Replace Facility
4. Lassen Lodge Forest Fire Station: Relocate Facility
5. Manton Forest Fire Station: Relocate Facility
6. Sand Creek Forest Fire Station: Relocate Facility

- 7. Sonora Forest Fire Station: Relocate Facility
- 8. Ukiah Forest Fire Station: Replace Facility
- 9. Valley Center Forest Fire Station: Relocate Facility

Series 2006 I – Department of State Hospitals

- 1. Atascadero State Hospital: Multi-Purpose Building

Consider adoption of a resolution to:

1. **Authorize the sale of lease revenue refunding bonds to refund the Board’s lease revenue bonds 2005 Series F, 2005 Series G, 2006 Series C, and 2006 Series I in accordance with the Board’s refunding policy.**
2. **Approve the form of and authorize the execution of various documents in connection with the sale of said revenue bonds including a Supplemental Indenture to the Master Indenture, amended leases for the sites and facilities, Escrow Agreements, a Continuing Disclosure Agreement, and a Notice of Sale.**
3. **Approve the form of and authorize the release of a Preliminary Official Statement and authorize the preparation and delivery of an Official Statement.**
4. **Approve and authorize other related actions in connection with the authorization, issuance, sale, and delivery of said lease revenue bonds and to otherwise effectuate the purpose of the resolution.**

The following are the currently outstanding par amounts of the bonds to be refunded by the 2020 Series E Lease Revenue Refunding Bonds:

| <u>Bond Series</u> | <u>Currently Outstanding Par Amount</u> |
|--------------------|---|
| 2005F | \$11,700,000 |
| 2005G | \$9,025,000 |
| 2006C | \$13,190,000 |
| 2006I | \$8,990,000 |

STAFF ANALYSIS ITEM—2

Department of Forestry and Fire Protection (3540)
 Department of Corrections (5225)
 Department of State Hospitals (4440)
 Department of General Services (7760)
 2020 Series E, Lease Revenue Refunding Bonds
 Various Capital Projects

Action Requested

If approved, the requested action would authorize the sale of the 2020 Series E lease revenue refunding bonds and other related actions in connection with the issuance, sale, and delivery of the bonds, including approving the forms of and authorizing the execution of a supplemental indenture to the Master Indenture, amended leases for the sites and facilities, Escrow Agreements, a Continuing Disclosure Agreement, a Notice of Sale, approving the form of and authorizing the delivery of a Preliminary Official Statement, and authorizing the preparation and delivery of an Official Statement.

Description of the Refunding

Under Government Code section 15840, the Board is authorized to issue refunding bonds to refund any of its outstanding bonds. Additionally under the Board's refunding

policy refunding bonds may be issued when (i) the refunding generates positive net present value savings equal to at least 3 percent of the par amount of bonds refunded, or (ii) whether or not the issuance results in overall debt service savings if the Board determines in the resolution authorizing the issuance of the refunding bonds that such refunding will produce benefits to the Board's bond program apart from debt service savings.

The 2020 Series E bonds, which have an estimated par amount of approximately \$31,435,000, will refund on a tax exempt basis the Board's 2005 Series F, 2005 Series G, 2006 Series C, and 2006 Series I Bonds, and achieve an anticipated net present value savings of approximately \$7,680,000, which is approximately 18.5 percent of the par amount of the refunded bonds.

If this action is approved, the 2020 E Bonds will provide funds that will be used, together with other lawfully available moneys, to establish irrevocable escrows to refund and defease all of the following Board's outstanding bonds: 2005 Series F, 2005 Series G, 2006 Series C, and 2006 Series I Bonds. The adopted resolution would also authorize the transfer of funds from the pooled reserve fund under the Master Indenture in connection with the refunding of the bonds.

The 2020 Series E bonds will be sold through a competitive sale on the basis described in the form of Notice of Sale.

Refunded Projects:

The 2020 Series E bonds will refund and defease the Boards 2005 Series F, 2005 Series G, 2006 Series C, and 2006 Series I Bonds that financed the below listed projects which are more specifically described in Appendix B of the Preliminary Official Statement.

Department Of Forestry and Fire Protection (3540):

1. Antelope Forest Fire Station: Replace Barracks/Mess Hall
2. Buckhorn Forest Fire Station: Replace Apparatus Building
3. Fort Jones Forest Fire Station: Replace Facility
4. Lassen Lodge Forest Fire Station: Relocate Facility
5. Manton Forest Fire Station: Relocate Facility
6. Sand Creek Forest Fire Station: Relocate Facility
7. Sonora Forest Fire Station: Relocate Facility
8. Ukiah Forest Fire Station: Replace Facility
9. Valley Center Forest Fire Station: Relocate Facility

Department of Corrections and Rehabilitation (5225):

1. California Men's Colony, San Luis Obispo: D-Quad Mental Health Services Building
2. California Medical Facility, Vacaville: Ambulatory Care Clinic
3. California Medical Facility, Vacaville: Unit V Modular Housing
4. California Correctional Center, Susanville: Antelope Camp Dorms
5. Richard J. Donovan Correctional Facility, San Diego: Substance Abuse Program Modular Replacement Building

Department of State Hospitals (4440):

Atascadero State Hospital: Multi-Purpose Building

Department of General Services (7760):

Scope Description

This project is within scope. This project includes construction of a prototypical single-building, one-engine fire station that consists of a barracks/messhall, 2-bay apparatus, generator/pump, and storage building. Site Improvements include demolition/removal of existing buildings on site, replacement/upgrade of underground utilities and/or connections (water, sewer, electric, gas, telephone/radio), instillation of a fuel facility, a vehicle wash pad, a hose wash rack, and other project related site improvements.

Funding and Cost Verification

This project is within cost. A total of \$11,029,000 lease revenue bonds has been appropriated for this project. Other fund sources (excess proceeds) were identified to cover the cost of preliminary plans and working drawings in the amount of \$1,454,000. Therefore, interim financing is requested for the remaining amount needed to complete construction.

- \$ 11,029,000 Total authorized project costs
- \$ 10,820,000 Total estimated project costs
- \$ 1,445,000 Costs previously allocated: \$777,000 preliminary plans, \$668,000 working drawings
- \$ 9,375,000 Costs to be allocated: \$9,375,000 construction (\$7,865,000 contracts, \$393,000 contingency, \$593,000 A&E, \$484,000 other project costs and \$40,000 agency retained)
- \$ 209,000 Anticipated savings: construction

CEQA

CalFire filed a Notice of Determination with the State Clearinghouse on August 13, 2012 and the 30-day statute of limitations expired without challenge.

Real Estate Due Diligence

DGS completed a Summary of Conditions Letter, on behalf of CalFire, for this project on June 27, 2016 and no issues that would adversely affect the beneficial use and quiet enjoyment of this project have been identified.

Project Schedule

| | |
|---------------------------|--------------|
| Approve preliminary plans | May 2017 |
| Complete working drawings | April 2020 |
| Start construction | October 2020 |
| Complete construction | August 2022 |

Staff Recommendation: **Adopt resolution.**

MINUTES

NONE

CONSENT ITEMS

CONSENT ITEM—1

DEPARTMENT OF FORESTRY AND FIRE PROTECTION (3540)
HOWARD FOREST HELITACK BASE
MENDOCINO COUNTY

*Authority: Budget Act of 2018; Item 3540-301-0001(9)
Section 15853 of the Government Code*

Consider authorizing:

1. **Acquisition of real property and the execution of a property acquisition agreement and other such documents as may be required to complete the acquisition.**
2. **Acquisition of an option to purchase real property and the execution of an option agreement and other such documents as may be required to complete the acquisition.**

STAFF ANALYSIS ITEM—1

Department of Forestry and Fire Protection
Howard Forest Helitack Base
Mendocino County

Action Requested

If approved, the request will authorize the acquisition of real property, an option to purchase a separate property, and the execution of documents as may be required to complete acquisition of the property and the option.

Background

The Budget Act of 2018 authorized the acquisition of a 31-acre parcel in Mendocino County (the Buffer Property) to provide buffer space for Department of Forestry and Fire Protection (CalFire) helicopters. The helipad at the existing CalFire Howard Forest Helitack Base is set back fifty (50) feet from its property line, which does not provide a sufficient buffer area to protect the general public, the helicopters, and the facilities. Additionally, the current flight path is directly above privately held land, which if developed, would require a deviation from the optimal flight path or require relocation of the entire base. The acquisition will provide a public safety zone and buffer, as well as allowing helicopters to fly the optimal flight path in carrying out essential duties for CalFire.

Section 15853 of Government Code authorizes the Board to acquire option agreements. CalFire requests the execution of an option agreement under which the state pays one hundred dollars (\$100) to the Golden Rule Church Association in exchange for an option to acquire an additional 37 acres of vacant forest land in Mendocino County (the Option Property), adjacent to both the current CalFire Howard Forest Fire Station and the Howard Forest Helitack Base, which are both on state owned land. The option is exercisable within three years of the execution of the option agreement. If acquired within the three-year term, the Option Property could be used as a potential site for the relocation of the existing Howard Forest Helitack Base in the event that such a project is approved.

The Buffer Property and Option Property are on vacant unused forest land with access from the adjacent state property. Consideration for the option is set at \$100, which would be applied towards the agreed-upon purchase price of \$351,500 should the Board authorize the exercise of the option on or before three years prior to the effective date of the option agreement.

Funding and Cost Verification

This project is within cost. The Budget Act of 2018 provided \$400,000 for the acquisition of the Buffer Property. The Buffer Property can be acquired within the funds available and in accordance with legislative intent. An additional appropriation for the Option Property would be needed before the option could be exercised.

CEQA

CalFire filed a Notice of Exemption with the State Clearinghouse for the Buffer Property, on September 27, 2019 and the 35-day statute of limitations expired without challenge. Additionally, CalFire will take appropriate steps to comply with CEQA prior to the Board's authorization to exercise the option for the Option Property.

Condition of Property:

DGS researched the condition of the Buffer Property, on behalf of CalFire, between April 2019 and June 2020. The Buffer Property is roughly square in shape, surrounded by similar undeveloped open space and sparsely developed rural properties. The Buffer Property consists of varying vertical elevations ranging from 2,000 feet to 2,800 feet above sea level. A large portion of the Buffer Property is likely not available for development due to the natural topographic vertical difference. The subject site consists of approximately 75 percent tree canopy. The Buffer Property is partially fenced with wire fencing. A water well is located on the Buffer Property; however electric power is not available to serve the water well. Since there are no plans to construct a facility on the Buffer property, DGS and CalFire have no concerns. DGS staff did not observe any additional environmental concerns.

DGS has also been to the Option Property, but has not performed a formal analysis. A formal analysis of the Option Property would be performed prior to acquisition.

The Option Property is similar to the Buffer Property, in that it is undeveloped forest land, but different with respect to the topography, being more favorable for development. CalFire is currently analyzing the Option Property for its viability to be developed.

Real Estate Due Diligence

The state will be acquiring the Buffer Property subject to approximately twenty eight percent of mineral and surface rights belonging to other non-state entities. Upon

acquisition of the Buffer Property, the state may consider whether to attempt to acquire the remaining interests in the Buffer Property, if possible. However, DGS has determined that it is highly unlikely the mineral or surface rights will be an issue for CalFire intended use due to the lack of minerals in the area and the slope of the Buffer Property.

Prior to the execution of the Option Agreement, the Option Property will be removed from the Williamson Act and CalFire/DGS will acquire the outstanding mineral rights, if required.

Other:

- The Board approved site selection of the Buffer Property on July 3, 2019.
- The purchase price of the Buffer Property is \$294,500, does not exceed the estimated fair market value of the Buffer Property, as determined by a DGS approved appraisal.
- Neither DGS nor CalFire is aware of any lawsuits pending concerning the Buffer Property. The Buffer Property Acquisition Agreement will require delivery of title free and clear of any mortgages or liens.
- No relocation assistance is required for either property.
- The sites meet the physical and location requirements of CalFire.
- There are no historical issues or implied dedications associated with either property.
- The proposed project location is consistent with the state's planning priorities in accordance with Government Code Section 65041 et seq.
- Prior to the execution of the Option Agreement, CalFire will need an appropriation and Board approval to execute the option within the agreed upon three-year option period.

Staff Recommendation:

Authorize the acquisition of real property, an option to purchase a separate property, and the execution of documents as may be required to complete the acquisition of the property and the option.

OTHER BUSINESS

NONE

GENERAL PUBLIC COMMENT

REPORTABLES

NONE