



Judicial Council of California

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REPORT TO THE JUDICIAL COUNCIL

Item No.: 25-040

For business meeting on December 12, 2025

Title

Court Facilities: Lease-Revenue Bond
Issuance, Fall 2024 and Spring 2025

Report Type

Information

Date of Report

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Submitted by

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Executive Summary

The Administrative Director presents this report on actions taken by the State Public Works Board in fall 2024 and spring 2025 to fund court facilities projects. New lease-revenue bonds were issued for two capital outlay projects, existing bonds were refunded for one project to improve the financial terms, and interim loans were issued for four projects in construction. All actions were authorized and directed by the Judicial Council to support the development and maintenance of court facilities.

Relevant Previous Reporting or Action

At its meeting on August 27, 2010, the Judicial Council (1) authorized the execution of documents related to bonds issued by the State Public Works Board for the financing of court facilities projects, (2) delegated to the Administrative Director or their designee the authority to execute bond documents on behalf of the Judicial Council, and (3) directed that the Administrative Director report to the council at least once a year on actions taken under that authority.¹

¹ Judicial Council of Cal., mins. (Aug. 27, 2010), item 9, p. 14, courts.ca.gov/sites/default/files/courts/default/2024-10/min20100827.pdf.

Analysis/Rationale

The California State Public Works Board oversees the planning, financing, and execution of capital outlay projects for state agencies. The board plays a key role in approving construction plans, acquiring property, and issuing lease-revenue bonds.

Lease-revenue bonds are a way the state borrows money to build facilities like courthouses. Lease-revenue bonds do not require voter approval. The state sets up a lease agreement through which payments are made only if the building is occupied. The State Public Works Board owns the building until the debt is paid off.

Once a courthouse is built and in use, the lease payments come from either the General Fund or the State Court Facilities Construction Fund. These payments help repay the money borrowed through the bonds.

To start construction, the state may use interim loans. After the building is finished, the state sells bonds to pay back those loans. This approach allows projects to move forward before long-term financing is secured.

New lease-revenue bonds

New lease-revenue bonds were issued in fall 2024 and spring 2025 to repay the interim loans for the following two projects, respectively:

- Riverside County—New Menifee Justice Center
- Sacramento County—New Sacramento Courthouse

A schedule showing the base rental payment for which bonds were issued is included in Attachment A.

Refunding of existing bonds

The refunding of existing bonds to improve the financial terms was approved by the State Public Works Board in the fall of 2024 for the following project:

- San Joaquin County—New Stockton Courthouse

This refunding generated savings of \$29.2 million as shown in Attachment B. The savings will accrue to the State Court Facilities Construction Fund.

Interim loans

The renewal of interim General Fund loans was approved in fall 2024 and spring 2025 to provide additional funding for construction for the following four projects:

- Lake County—New Lakeport Courthouse\$12.6 million
- Sacramento County—New Sacramento Courthouse\$55.2 million
- Mendocino County—New Ukiah Courthouse.....\$48.1 million

- Riverside County—New Indio Courthouse\$13.7 million

Fiscal Impact and Policy Implications

None.

Attachments and Links

1. Attachment A: Schedules of base rental payments
2. Attachment B: Summary of Refunding Results

SCHEDULE I

\$603,020,000	\$103,365,000
State Public Works Board of the State of California	State Public Works Board of the State of California
Lease Revenue Bonds	Lease Revenue Bonds
2025 Series A	(Judicial Council of California)
(Various Capital Projects)	2025 Series B
	(Sacramento County Courthouse)
	(Federally Taxable Bonds)

**SCHEDULE OF CAPITALIZED INTEREST PAYMENT
AND BASE RENTAL PAYMENTS**

SACRAMENTO COUNTY COURTHOUSE

I. CAPITALIZED INTEREST PAYMENT

Interest on the portion of the 2025A Bonds and the 2025B Bonds issued to finance and refinance the Project shall be paid from the 2025A Capitalized Interest Subaccount and the 2025B Capitalized Interest Subaccount established under the Indenture on the following date and in the following amounts:

<i>Payment Date</i>	<i>Amount From 2025A Capitalized Interest Subaccount</i>	<i>Amount From 2025B Capitalized Interest Subaccount</i>
10/01/25	\$7,855,680.18	\$1,860,473.79

II. BASE RENTAL PAYMENTS

<i>Payment Date</i>	<i>2025 Series A Principal</i>	<i>2025 Series A Interest</i>	<i>2025 Series A Base Rental Payments</i>	<i>2025 Series B Principal</i>	<i>2025 Series B Interest</i>	<i>2025 Series B Base Rental Payments</i>	<i>Total Base Rental Payments</i>
09/15/2025		\$ 1,758,734.39	\$ 1,758,734.39		\$ 416,523.98	\$ 416,523.98	\$ 2,175,258.37
03/15/2026		10,552,406.25	10,552,406.25	\$12,140,000	2,499,143.90	14,639,143.90	25,191,550.15
09/15/2026		10,552,406.25	10,552,406.25		2,226,054.60	2,226,054.60	12,778,460.85
03/15/2027		10,552,406.25	10,552,406.25	11,525,000	2,226,054.60	13,751,054.60	24,303,460.85
09/15/2027		10,552,406.25	10,552,406.25		1,969,680.97	1,969,680.97	12,522,087.22
03/15/2028		10,552,406.25	10,552,406.25	12,040,000	1,969,680.97	14,009,680.97	24,562,087.22
09/15/2028		10,552,406.25	10,552,406.25		1,697,275.97	1,697,275.97	12,249,682.22
03/15/2029		10,552,406.25	10,552,406.25	12,585,000	1,697,275.97	14,282,275.97	24,834,682.22
09/15/2029		10,552,406.25	10,552,406.25		1,396,305.69	1,396,305.69	11,948,711.94
03/15/2030		10,552,406.25	10,552,406.25	13,185,000	1,396,305.69	14,581,305.69	25,133,711.94
09/15/2030		10,552,406.25	10,552,406.25		1,077,690.16	1,077,690.16	11,630,096.41
03/15/2031		10,552,406.25	10,552,406.25	13,825,000	1,077,690.16	14,902,690.16	25,455,096.41
09/15/2031		10,552,406.25	10,552,406.25		729,507.53	729,507.53	11,281,913.78
03/15/2032		10,552,406.25	10,552,406.25	14,520,000	729,507.53	15,249,507.53	25,801,913.78
09/15/2032		10,552,406.25	10,552,406.25		358,739.33	358,739.33	10,911,145.58
03/15/2033	\$ 1,715,000	10,552,406.25	12,267,406.25	13,545,000	358,739.33	13,903,739.33	26,171,145.58
09/15/2033		10,509,531.25	10,509,531.25				10,509,531.25
03/15/2034	16,065,000	10,509,531.25	26,574,531.25				26,574,531.25
09/15/2034		10,107,906.25	10,107,906.25				10,107,906.25
03/15/2035	16,870,000	10,107,906.25	26,977,906.25				26,977,906.25
09/15/2035		9,686,156.25	9,686,156.25				9,686,156.25
03/15/2036	17,710,000	9,686,156.25	27,396,156.25				27,396,156.25
09/15/2036		9,243,406.25	9,243,406.25				9,243,406.25
03/15/2037	18,595,000	9,243,406.25	27,838,406.25				27,838,406.25
09/15/2037		8,778,531.25	8,778,531.25				8,778,531.25
03/15/2038	19,525,000	8,778,531.25	28,303,531.25				28,303,531.25
09/15/2038		8,266,000.00	8,266,000.00				8,266,000.00
03/15/2039	20,550,000	8,266,000.00	28,816,000.00				28,816,000.00
09/15/2039		7,726,562.50	7,726,562.50				7,726,562.50
03/15/2040	21,630,000	7,726,562.50	29,356,562.50				29,356,562.50
09/15/2040		7,185,812.50	7,185,812.50				7,185,812.50
03/15/2041	22,710,000	7,185,812.50	29,895,812.50				29,895,812.50
09/15/2041		6,618,062.50	6,618,062.50				6,618,062.50

03/15/2042	23,850,000	6,618,062.50	30,468,062.50	30,468,062.50
09/15/2042		5,992,000.00	5,992,000.00	5,992,000.00
03/15/2043	25,100,000	5,992,000.00	31,092,000.00	31,092,000.00
09/15/2043		5,364,500.00	5,364,500.00	5,364,500.00
03/15/2044	26,355,000	5,364,500.00	31,719,500.00	31,719,500.00
09/15/2044		4,705,625.00	4,705,625.00	4,705,625.00
03/15/2045	27,670,000	4,705,625.00	32,375,625.00	32,375,625.00
09/15/2045		4,013,875.00	4,013,875.00	4,013,875.00
03/15/2046	29,055,000	4,013,875.00	33,068,875.00	33,068,875.00
09/15/2046		3,287,500.00	3,287,500.00	3,287,500.00
03/15/2047	30,510,000	3,287,500.00	33,797,500.00	33,797,500.00
09/15/2047		2,524,750.00	2,524,750.00	2,524,750.00
03/15/2048	32,035,000	2,524,750.00	34,559,750.00	34,559,750.00
09/15/2048		1,723,875.00	1,723,875.00	1,723,875.00
03/15/2049	33,635,000	1,723,875.00	35,358,875.00	35,358,875.00
09/15/2049		883,000.00	883,000.00	883,000.00
03/15/2050	35,320,000	883,000.00	36,203,000.00	36,203,000.00

SCHEDULE I**\$214,135,000****State Public Works Board of the State of California****Lease Revenue Bonds****2024 Series D****(Various Capital Projects)****SCHEDULE OF BASE RENTAL PAYMENTS****MENIFEE JUSTICE CENTER**

<i>Payment Date</i>	<i>Principal</i>	<i>Interest</i>	<i>Total Base Rental Payments</i>
04/15/2025		\$1,487,027.77	\$1,487,027.77
10/15/2025	\$1,395,000	1,423,750.00	2,818,750.00
04/15/2026		1,388,875.00	1,388,875.00
10/15/2026	1,465,000	1,388,875.00	2,853,875.00
04/15/2027		1,352,250.00	1,352,250.00
10/15/2027	1,540,000	1,352,250.00	2,892,250.00
04/15/2028		1,313,750.00	1,313,750.00
10/15/2028	1,620,000	1,313,750.00	2,933,750.00
04/15/2029		1,273,250.00	1,273,250.00
10/15/2029	1,700,000	1,273,250.00	2,973,250.00
04/15/2030		1,230,750.00	1,230,750.00
10/15/2030	1,790,000	1,230,750.00	3,020,750.00
04/15/2031		1,186,000.00	1,186,000.00
10/15/2031	1,880,000	1,186,000.00	3,066,000.00
04/15/2032		1,139,000.00	1,139,000.00
10/15/2032	1,975,000	1,139,000.00	3,114,000.00
04/15/2033		1,089,625.00	1,089,625.00
10/15/2033	2,080,000	1,089,625.00	3,169,625.00
04/15/2034		1,037,625.00	1,037,625.00
10/15/2034	2,185,000	1,037,625.00	3,222,625.00
04/15/2035		983,000.00	983,000.00
10/15/2035	2,295,000	983,000.00	3,278,000.00
04/15/2036		925,625.00	925,625.00
10/15/2036	2,415,000	925,625.00	3,340,625.00
04/15/2037		865,250.00	865,250.00
10/15/2037	2,540,000	865,250.00	3,405,250.00
04/15/2038		801,750.00	801,750.00
10/15/2038	2,670,000	801,750.00	3,471,750.00
04/15/2039		735,000.00	735,000.00
10/15/2039	2,780,000	735,000.00	3,515,000.00
04/15/2040		693,300.00	693,300.00
10/15/2040	2,875,000	693,300.00	3,568,300.00
04/15/2041		635,800.00	635,800.00

10/15/2041	2,995,000	635,800.00	3,630,800.00
04/15/2042		575,900.00	575,900.00
10/15/2042	3,115,000	575,900.00	3,690,900.00
04/15/2043		513,600.00	513,600.00
10/15/2043	3,245,000	513,600.00	3,758,600.00
04/15/2044		448,700.00	448,700.00
10/15/2044	3,375,000	448,700.00	3,823,700.00
04/15/2045		381,200.00	381,200.00
10/15/2045	3,515,000	381,200.00	3,896,200.00
04/15/2046		310,900.00	310,900.00
10/15/2046	3,655,000	310,900.00	3,965,900.00
04/15/2047		237,800.00	237,800.00
10/15/2047	3,805,000	237,800.00	4,042,800.00
04/15/2048		161,700.00	161,700.00
10/15/2048	3,960,000	161,700.00	4,121,700.00
04/15/2049		82,500.00	82,500.00
10/15/2049	4,125,000	82,500.00	4,207,500.00



SUMMARY OF REFUNDING RESULTS

State Public Works Board of The State of California
Lease Revenue Refunding Bonds
2024 Series C
(Judicial Council of California)
(New Stockton Courthouse, 2014 Series B)
*****By Project Report*****
Final Pricing & Verified

Dated Date	10/03/2024
Delivery Date	10/03/2024
Arbitrage yield	2.814380%
Escrow yield	4.888996%
Value of Negative Arbitrage	-992,312.85
Bond Par Amount	176,190,000.00
True Interest Cost	3.098000%
Net Interest Cost	3.392960%
Average Coupon	5.000000%
Average Life	8.836
Weighted Average Maturity	8.982
Par amount of refunded bonds	201,400,000.00
Average coupon of refunded bonds	5.000000%
Average life of refunded bonds	8.919
Remaining weighted average maturity of refunded bonds	8.919
PV of prior debt to 10/03/2024 @ 2.814380%	235,088,844.42
Net PV Savings	29,220,366.77
Percentage savings of refunded bonds	14.508623%
Percentage savings of refunding bonds	16.584577%