



BOARD OF SUPERVISORS
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Department Name: Sheriff's Office
Department No.: 032
For Agenda Of: December 6, 2011
Placement: Departmental
Estimated Tme: 60 Minutes
Continued Item: Yes, from 11-15-11
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors
FROM: Sheriff Bill Brown (Ext. 4290)
Sheriff's Office
CONTACT: Commander Tom Jenkins (Ext. 4249)
Sheriff-Custody
SUBJECT: Santa Barbara County Jail-Northern Branch Jail Update and AB 900 Phase II Application

County Counsel Concurrence

As to form: Yes

Other Concurrence: Risk Management

As to form: Yes

Recommended Actions:

That the Board of Supervisors takes the following actions:

A). Receive a presentation and report from Sheriff Bill Brown on the status of the Northern Branch Jail and the AB 900 Phase 2 Application (Attachment A)

B). Receive and consider an addendum (Attachment B) to the Final Subsequent Environmental Impact Report (State Clearinghouse Number 2007111099) that the Board of Supervisors certified on March 11, 2008.

C) After considering the Final Subsequent Environmental Impact Report (State Clearinghouse Number 2007111099) that the Board of Supervisors certified on March 11, 2008, and the EIR addendum attached to this Board Agenda Letter as Attachment B, adopt the CEQA findings at Attachment C, and determine, pursuant to 14 CCR 15162(a), that no subsequent EIR or Negative Declaration is required for this project because: (1) no substantial changes are proposed in the project which require major revisions of the 2008 Final Subsequent EIR; (2) no substantial changes have occurred with respect to the circumstances under which the project is undertaken which require major revisions of the 2008 Final Subsequent EIR; and (3) no new information of substantial importance concerning the project's significant effects or mitigation measures, which was not known and could not have been known with

Auditor-Controller Concurrence

As to form: Yes

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the exercise of reasonable diligence at the time that the Final Subsequent EIR was certified in 2008, has been received that requires a subsequent EIR or Negative Declaration.

D). Adopt a Resolution (Attachment D) authorizing the Sheriff to submit an Application (Attachment E) under AB 900 Phase II, Preference Option A (Admissions Option) for funding of the Northern Branch Jail in the amount of \$80 million, and other provisions related to the application.

E). Authorize the Sheriff to make non-substantive edits to the Application (Attachment E) prior to submission to the Corrections Standards Authority (CSA), and to correct any technical deficiencies requested by the CSA following submission. (As is discussed below at Page 3, the Board of Supervisors will have the ultimate authority to approve or deny County's commitment to the project in State-required follow-on agreements.)

Summary Text: The actions proposed will allow the County to submit an application to the Corrections Standards Authority (CSA) of the California Department of Corrections and Rehabilitation (CDCR) for funding from the AB 900 Phase II Jail Construction Financing Program. This program pays up to 90% of eligible expenses for construction of a County Jail facility, up to a limit of \$80 million for our size of County. Santa Barbara County is a medium sized county by State Standards. The application submits a proposal to build a 376 bed jail facility at Black and Betteravia Roads, outside the City of Santa Maria. This facility will include 16 Mental Health beds and 16 Medical beds, along with an expanded correctional treatment center. The facility will be designed to be expandable, and will have housing units that can be utilized for either direct or indirect supervision of the incarcerated inmates. The facility will be approximately 138,385 square feet.

Santa Barbara County secured a conditional award from the State of California under the AB 900 Local Jail Construction Funding Program (Phase I) in 2008. That conditional award will reimburse the County up to \$56.295 million toward construction of the Northern Branch Jail near the City of Santa Maria. The Phase 1 reimbursement is limited to 75% of eligible expenses for construction of that facility. The County must fund the remainder of the cost of property acquisition and construction. The County's share for that facility was previously estimated at \$23,892,960 (Ref. 08-00131). The current estimated County capital match has increased since the 2008 application, to \$26,718,714, due primarily to the higher land acquisition cost (referenced below) and higher utility extension costs identified, now that preliminary engineering has been completed.

The resolution (Attachment D) is required by the California Department of Corrections and Rehabilitation (CDCR) to submit an application. In the resolution, the County relinquishes the previous conditional award received by the County in Phase I of AB 900. This action allows the County to request a conditional award of up to \$80 million from CDCR for construction of the facility, to change the construction scope of the facility, and to have the State funding pay for up to 90% of the eligible expenses for construction of the Northern Branch Jail.

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The resolution also provides assurances that the County will take certain actions following conditional award:

- County has or will appropriate the amount of contribution identified by the County on the application. Currently the estimated contribution for this project under Phase II is \$15,165,505, a savings of \$ 11.5 million, of which \$5,754,400 has already been expended. The County will also be expected to identify and certify a source of funds for that contribution within 12 months after the date of expected conditional award in March 2012 by the CSA.
- Authorize the Sheriff to sign the Applicant's Agreement and submit the application.
- Identify the County Construction Administrator as Grady Williams-County General Services, Project Financial Officer as Doug Martin-Chief Financial Officer for the Sheriff's Office, and the Project Contact Person as Lieutenant James Meter.
- Assurance that the County will adhere to State requirements and the terms of the agreements pursuant to the AB 900 program.
- Assurance the County will safely staff and operate the facility within 90 days of completion, and consistent with Title 15 Standards.
- Assurance that the County owns the site and attest to the land cost/value as \$5,089,376.86.

If during the application process the County is not recommended to receive a Phase II conditional award, it will have the opportunity to withdraw its application from the Phase II process by written notification prior to the March 2012 meeting of the CSA. By doing so, the County will retain its previously issued AB 900 Phase I conditional award under the provisions previously agreed to.

The Board certified a Subsequent Environmental Impact Report on March 11, 2008, that studied the acquisition of about 50 acres of property and construction and operation of an 808-bed to 1,520-bed detention facility at the same location proposed for this 376-bed facility. That EIR contemplated as many as 1,520 beds and each of the programs currently proposed. A CEQA addendum to the EIR has been prepared that compares the 376-bed project proposed here with the 2008 EIR and the approval actions of the Board of Supervisors on March 11, 2008 (Attachment B). As is described more fully in the addendum, since March 11, 2008: no substantial changes are proposed in the project which require revision of the 2008 EIR; no substantial changes have occurred with respect to the circumstances under which the project is undertaken; and no new information of substantial importance has been received with respect to the project's significant effects or mitigation measures. Therefore, no new EIR or Negative Declaration is required for the recommended actions, as provided in CEQA Guideline 15162. If, in the future, substantial changes occur or circumstances change or new information warrants, additional CEQA review and compliance will occur prior to commencement of the project. CDCR/CSA environmental requirements allow counties to initiate the CEQA process no later than 90 days from notice of conditional award.

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Following these recommended actions, the Board would still have ultimate authority to approve or deny commitment to the project in State required follow on agreements. Authorizing the Sheriff to make non-substantive edits to the Application and to allow corrections to technical deficiencies to the application if requested by the CSA would not otherwise commit the Board to financial expenditures later necessary to complete the project. At this time the Board has the following options with regard to the attached resolution:

Option 1- Approve the resolution as provided, authorizing the Sheriff to submit the application. This will make the County eligible for up to \$80 million dollars in State construction funding for the Northern Branch Jail project, with an estimated County capital match of \$15,165,505 of which \$5,754,400 has already been expended. The County would essentially trade the expectation of \$56.3 million in Phase I funds for the possibility of \$80 million Phase II funds. This will allow eligible construction expenses to be covered by the State at up to 90%. The County will still have the ability to withdraw its AB 900 Phase II application by written notice following notification of whether the County will be recommended for conditional award to the CSA Board, and thereby retain its original AB 900 Phase I conditional award of \$56.295 million. If the design of the project building began as soon as the County received notice of conditional award from the State, construction would begin in May of 2015 and be completed in January of 2018.

Option 2- Not approve the resolution and not authorize the Sheriff to submit the AB 900 Application. The County would remain eligible for only up to \$56.295 million dollars in AB 900 Phase I conditional State construction funding for the Northern Branch Jail project. The County would continue in the expectation to meet the original State requirements. That funding will be paid at up to 75% of eligible project expenses. Again, the current estimated County capital match is now \$26,718,714, of which \$5,754,400 has already been expended. The County would be required to proceed with construction of the proposed facility, with a completion date of 2017 to insure State reimbursement.

Option 3- Retain the AB 900 Phase 1 Conditional Award of \$56.295 million and not relinquish the conditional award. Submit an application under AB 900 Phase 2 for no more than \$23.7 million to construct additional jail beds (i.e., the difference between a maximum \$80 million conditional award and our current conditional award of \$56.295). This option also would require an additional county match of approximately \$2.4 million over and above that required in Option 2, for a total of county cost of \$29.1 million. Staff evaluated this option and recommends that the Board of Supervisors reject it because of the additional expense.

Background:

More than 20 Grand Jury reports have highlighted the need for a new jail. On February 12, 2008, the report of the Sheriff's Blue Ribbon Commission on Jail Overcrowding was brought to the Board of Supervisors (Ref. # 08-00107). In addition to supporting programs to mitigate the need for additional jail capacity, the Commission recommended the construction of a new 304 bed jail that would add to the local system capacity.

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Various efforts were undertaken by the Sheriff and County staff to plan a new jail and to purchase property in northern Santa Barbara County for that facility. However, until 2008 the effort to purchase property for construction had been unsuccessful. In 2008, a 50 acre parcel of flat land was taken in eminent domain action by the Board (Ref. # 08-00194 on March 11, 2008; and # 08-00356 on April 22, 2008). This parcel is at the southwest corner of Black and Betteravia Roads just outside the Santa Maria City limits. The action to complete the purchase of the property and secure title to the land was completed on June 7, 2011 (Ref. # 11-00458). The final cost of the land was \$5,089,376.86, which included land, litigation, final court ruling, and services.

Concurrently with the property acquisition, the County filed an application for matching jail construction funds under AB 900. That application resulted in a conditional award of \$56.295 million from the State of California to be used with matching County funds to construct the Northern Branch Jail on the secured property (Ref. # 08-00131). That conditional award would pay for up to 75% of certain eligible costs for the construction of a 304 bed jail at the designated location in Santa Maria. This action is now being identified as Phase 1 funding. At the time the application was submitted, the County share of the project was estimated to be \$23,892,960. As of today, the County has spent \$ 5,754,400 toward the County match portion of the project, including the real property acquisition and other minor work completed. Accounting for these costs and the projected higher cost in the utility extensions, it is now estimated that the County would still need to spend \$20,895,314 to complete the project under Phase I. The project proposed in the original application was for a 106,600 square foot facility, with 304 medium and high security beds.

On March 11, 2008, (Ref. 08-00199; Ref. 08-00131) the Board made CEQA findings for the project regarding potential alternatives, mitigation measures and impacts to public services, agricultural resources, and aesthetic/visual resources in the Final Subsequent Environmental Impact Report (SCN: 2007111099) for a combined County Jail and State Reentry facility at the 50 acre Black and Betteravia Road location. Additionally, on that date (Ref. 08-00131) the Board made a Statement of Overriding Consideration for the project regarding identified impacts to public services, agricultural resources, and aesthetic/visual resources in the Final Subsequent Environmental Impact Report.

Phase 1 of construction of the project reviewed in that EIR was proposed to include a 391,663 square foot facility encompassing 808 State Reentry and County jail beds. Full build out of the project as reviewed in the EIR was indicated to include an additional 712 beds, and up to 155,104 square feet of additional construction, over the subsequent 20 years. Because of its large size the Final Subsequent EIR has been made available electronically, rather than being attached directly. That link is available below:

<http://www.sbcountyplanning.org/projects/07EIR-00003/index.cfm>

County's original proposal in 2008 included a State Reentry facility at the same location as the Northern Branch Jail, but County later changed that to include County's participation in a Central Coast Secure Community Reentry Facility in Paso Robles. As is discussed at Page 6, below, the State's Request for Proposal allows County to discontinue its assistance to the State for a reentry facility if it relinquishes its Phase I conditional award without seeking a relinquishment preference. A CEQA addendum has been submitted by staff as Attachment B.

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On October 1, 2011 the provisions of AB 109 Prison Realignment went into effect. This redirected many future convicted criminals, who would have previously spent their terms of confinement in State prisons, to now spend their terms in local jail custody. On September 20, 2011, the Public Safety Realignment Act Implementation Plan was presented to the Board (Ref. 11-00728). That report provided CDCR estimates that indicated by December 2011 the jail will have, at a minimum, 66 post sentenced non-violent, non-serious, non-sex (NX3) offenders, up to 37 Post-Release Community Supervision (PRCS) and parole violators, and 24 NX3 violators in custody on any given day, for a total of 127 additional prisoners.

On October 7, 2011, the Corrections Standards Authority (CSA) of CDCR announced Phase II to the AB 900 Jail Construction Financing Program. This program provides for the opportunity to increase the percentage of the project that is paid out of State conditional awards from 75% in Phase I funding, to 90% in Phase II. A total of \$602,881,000 is available for conditional award to State counties at this time, further divided by the size of the County; i.e. large, medium, and small. In the medium County category, there is a total \$200,000,000 available for conditional award. The maximum conditional award for a medium County is \$80,000,000. Medium counties are classified as those with a population of 200,001 to 700,000. The Sheriff and CEO submitted an interest statement to apply for AB 900 Phase II conditional award. The County was then invited to apply for Phase II funding by the CSA (Attachment F). There is no obligation to apply for Phase II funding after submitting an interest statement, or receiving an invitation to apply.

The County is not obligated to apply for a Phase II conditional award at all. The County may retain its AB 900 Phase I conditional award of \$56,295,000 by taking no further action, and construct the new jail using that conditional award under the provisions then applied. If the County chooses to do nothing with regard to AB 900 Phase II, the County is still responsible for the 25% match (plus other costs, totaling an estimated \$26,718,714) Under the Phase I program, some significant costs such as furnishings, Architectural fees, and construction management fees cannot be applied to the State's 75% portion of the project cost, but may be applied to the County's 25% portion of the 'match'. Since submitting the Phase I application in 2008, the cost of constructing the proposed building has gone down, but the costs of land acquisition and utility extensions, both ineligible for AB 900 funding have gone up. Since the State's portion of the cost included only building construction, the County's cost has effectively increased by \$7.5 million. To maintain the 25% match requirement, the County's cost share of the project has to be increased by about that amount. As originally submitted, the County's share of the total project cost (including the ineligible portion) was about 30%. Because of these process changes, it is now about 35%.

If the County does not apply for a Phase II conditional award, but wants to retain its Phase I conditional award, the County will also have to continue to assist in siting a reentry facility pursuant to Chapter 9.8 of Title 7 of Part 3 of the Penal Code. For the County of Santa Barbara, this requirement is met via a tri-county facility planned to be located in the City of Paso Robles (Ref: 09-00046) in partnership with the Counties of San Benito and San Luis Obispo. When the County executed the Central Coast Regional Secure Community Reentry Facility Siting Agreement in 2008, the County agreed to provide

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transportation services for parolees released from that facility who were returning to Santa Barbara County, at an estimated cost then of \$17,000 annually. If the County relinquishes its Phase I conditional award, and does not subsequently withdraw its Phase II application, it does not have an obligation to the State to assist the State to site a State reentry facility, but it may still have an obligation to the City of Paso Robles and San Luis Obispo County to transport any parolees being released into Santa Barbara County from that Central Coast Regional Secure Community Reentry Facility.

The County may take advantage of the new provisions of AB 900 Phase II only if it submits a new application. The County must relinquish its previous AB 900 Phase I conditional award in order to apply for a Phase II conditional award of \$80 million. The County could choose not to relinquish its Phase I conditional award, and apply for a smaller Phase II conditional award of no more than \$23.7 million; i.e. the difference between its original conditional award of \$56.3 million and the limit of \$80 million.

A County can select one of two preference options for a Phase II application, and it may submit more than one application. Both are considered 'hard' preferences according to the CSA, assuming the application is considered worthy of funding.

Preference Option 'A', the Admissions Preference, is a hard preference targeting the counties that committed the largest percentage of inmates to State custody in relation to the total inmate population of CDCR in 2010 pursuant to AB 94 (Sec. 15820.917 Government Code). The application and the resolution recommended herein are being submitted under this Preference Option. This preference was chosen to allow the County to build a greater number of the needed jail beds, but ultimately at a lower capital cost to the County than the original project proposed in 2008.

San Joaquin County has indicated an intent not to reapply under either preference option. Under this recommended option, if the other two higher-ranked counties apply for the maximum conditional award and are found worthy, there may not be sufficient remaining monies to fund our application unless and until the relinquished funds are transferred back to the medium County allocation by action of the CSA Executive Board and the legislature.

The recommended project, submitted under this preference, has an estimated total project cost of \$95,165,505, of which \$90,685,000 is considered eligible under the AB 900 program. (The cost of the land beyond the footprint of the building, worth \$4,481,315, is deemed ineligible by the program). Of that amount the recommended conditional award application seeks State funding of \$80 million, the maximum for our County. The County share would be \$15,165,505. Of that share, the County has already spent \$5,754,400. Therefore, the County would still need to spend \$9,411,105 to complete this project. This application takes advantage of the ability to decrease the capital cost to the County, while at the same time increasing the number of jail beds with a reduction to the net annual combined cost of operations and debt service, for the new facility. The table below compares the original project with the new, recommended project.

| | Number of beds | Building Size (sq. feet) | Total Project Cost | State Cost | County Cost | County % of Total Project Cost |
|--------------------------------|----------------|--------------------------|--------------------|--------------|--------------|--------------------------------|
| Original Project as Submitted | 304 | 106,605 | \$80,336,292 | \$56,295,000 | \$23,971,292 | 29.8% |
| Original Project, Today's Cost | 304 | 106,605 | \$75,512,623 | \$48,793,910 | \$26,718,714 | 35.4% |
| New Project | 376 | 138,385 | \$95,165,505 | \$80,000,000 | \$15,165,505 | 15.9% |

Preference Option 'B', the Relinquishing Preference, is a hard preference granted by the CSA, also pursuant to AB 94. If the County were to choose this preference option, it could not increase the amount of conditional award, which limits the application to a conditional award of no more than \$56,295,000, or the previous conditional award received by a Phase I County. The scope of the project may be modified, and the County would still continue to assist the State with siting reentry facilities as stated above. This project is not being submitted under this preference option.

Under this preference ('B') the County, "will receive the preference for conditional funding award, once the Phase I funding authority amount associated with the relinquishing County is legislatively moved to the Phase II funding authority." In the case of a Preference Option 'B', the County's conditional award would then await legislative action to move the relinquished funding from Phase I to Phase II. Assuming the County is granted a conditional award utilizing this option, the conditional award would then be available for the CSA Board to reissue to the County in Phase II funding.

Some advantages of the AB 900 Phase II program are changes in costs that are eligible for State funding, and others that are eligible as the County's match. Project costs that are eligible for reimbursement in Phase II, but are not eligible for reimbursement under the Phase I conditional award, are: architectural, construction management, moveable equipment and furnishings, permits, and public art. This provides the opportunity to reduce County costs on the Northern Branch Jail project while expanding the facility itself.

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The pertinent dates to the County in the CSA Application timeline are:

| | |
|------------------------|---|
| January 11, 2012 | Deadline for delivery of Phase II Application to CSA |
| January 12 – 24, 2012 | Technical Review – Counties correct technical deficiencies. |
| February 15 – 16, 2012 | Applicant interviews with CSA Executive Steering Committee (ESC). |
| February 23, 2012 | Counties notified of funding recommendations to the CSA Board |
| March 8, 2012 | ESC Recommendations to CSA Board-Funding action and conditional awards. |

Applicant Counties have the opportunity to withdraw their application in writing prior to the March 8, 2012 meeting of the CSA Board. This will allow Santa Barbara County to retain their Phase I AB 900 conditional award after submitting the application, assuming they are not recommended for conditional award. It is the Sheriff's intent to withdraw the application if the County is not recommended for conditional award to the CSA Board.

Risks:

There may be certain risks associated with a Phase II application. Although unlikely, the CSA Executive Board could choose not to follow their staff recommendation for conditional award. Also, according to the 2011 Request for Applications, the conditional award is dependent upon the State sale of lease revenue bonds. A conditional award would not guarantee that the funding would be available from the State. (Note: This same condition exists with the County's current Phase I conditional award).

Assuming Santa Barbara County relinquishes its conditional award and uses its relinquishing preference at a limit of \$56.295 million, the funds relinquished are not immediately available to be conditionally awarded again to Santa Barbara County. That will require legislative action to move Phase I funding to Phase II. That funding would then be available to be conditionally awarded under the relinquishing hard preference. The California State Sheriff's Association is confident that legislative action will take place (N. Warner, 2011).

Using the Admissions preference (Preference A), the County's application could be recommended for funding, but there may not be sufficient funding available to medium counties to make a full conditional award for our project. The legislature would need to take action to move relinquished Phase I funding to Phase II funding and allocate that funding to medium counties. If the legislation did not address the allocation to medium counties, it would then be up to the CSA Board to allocate the funding to one of the county size allocations (small, medium, or large). There is no guarantee in the process that funds relinquished for Admissions preference will be returned to the allocation by county size, or to the County relinquishing its conditional award. However, a discussion with a member of the CSA Executive Committee indicates that is the intent.

Following conditional award the County is expected to construct the proposed project in a timely manner. Counties are solely responsible for higher than anticipated costs. Conditional awards cannot be increased after conditional award notification. A proposed and accepted project scope cannot be

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reduced if counties receive higher than anticipated bids. This is the same provision that exists in the Phase I conditional award.

After receiving conditional award, the State timeline anticipates the County submitting a certificate of matching funds within twelve (12) months of notice of conditional award. Following that notification, the County would then sign the Project Delivery and Construction Agreement (PDCA). In previous analysis, County Counsel had identified this as the project's "point of no return," beyond which the County is committed financially.

All awards are "conditional." They are predicated on the following minimum requirements:

1. The project is approved by the CSA at various stages throughout planning and construction,
2. The project receives appropriate review and approvals through the State capital outlay process,
3. The County enters into selected agreements with the State as required,
4. Lease revenues bonds are sold for the project.

Projects must also comply with project milestone requirements.

The CSA has indicated that the Legislative Budget Committee has inquired as to the status of AB 900 Phase I projects. CSA Staff (L. Heller, 2011) has indicated that the CSA Board will likely require Phase I Counties to submit their certificate of matching funds, and proceed with their projects, soon after conclusion of the Phase II conditional award notification.

As part of the review process, Sheriff staff have worked to update their 2008 Needs Assessment. Because of its large size, the 2008 Needs Assessment has been made available electronically (Ref: 08-00131, Attachment F - Jail Needs Assessment) at:

<http://santabarbara.legistar.com/LegislationDetail.aspx?ID=462850&GUID=8DA4C83E-4F12-4B48-B18D-4E9A1900FFC8&Options=&Search=>

An Addendum to the 2008 Jail Needs Assessment Corrections System Trends and Characteristics was completed to update the document for this application (Attachment G).

Fiscal and Facilities Impacts:

Budgeted: No

The new proposed project scope has an anticipated annual net operation cost of \$17,522,028 in FY 2017-18 estimates. This assumes a full year of operation during FY 2017-2018, but there are two issues that may impact when the facility becomes fully operational. The first is that although, the facility is planned to open in January 2018, there needs to be time to hire and train staff in advance of opening. The second issue will be the time it takes for the justice system to utilize those then available beds.

The operations cost figures below take into account the closure of the existing Santa Maria Branch Jail, the transfer of certain duplicate functions from the Main Jail, and the re-purposing of the Medium Security Facility to transfer staff to the Northern Branch Jail.

| Item | Cost |
|---|----------------------|
| Staffing Estimate - 376 bed facility (Gross) | \$ 15,954,558 |
| Services and Supplies-Including Expanded Medical/Mental Health Services | \$ 7,894,737 |
| Sub-total | \$ 23,849,295 |
| Less Existing Staff and costs-Transferred to facility | \$ (6,327,267) |
| Net Operations Cost FY 17-18 | \$ 17,522,028 |

The above staffing estimate includes the following additional full-time positions:

- 53 additional Custody Deputies at various ranks
- 28 civilian support positions including: Custody Records, Utility workers, Accounting, Food Services, and Maintenance.

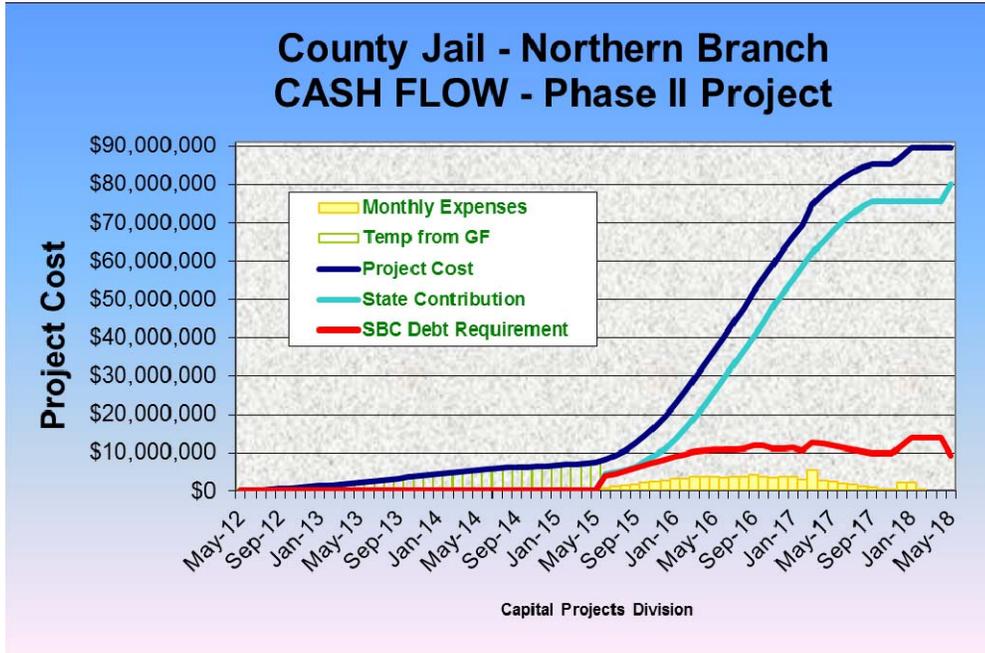
The services and supplies estimate takes into account all the costs relative to the inmates housed in the facility based upon Sheriff's current experience, in addition to a contract for a private medical mental health entity to provide services to the Medical/Mental Health housing and related expanded services in the Northern Branch Jail.

The recommended project will result in the repurposing of a portion of the Medium Security Facility (MSF). The original Honor Farm was converted to the MSF in 2006. Since then the County has been forced to house up to 285 inmates in a space rated for 161. The MSF is a dormitory style building, built in 1961 that now houses inmates of a higher classification than intended. This project will allow the MSF be refurbished, re-purposed, and/or redesigned as necessary. It will also result in significant improvements to the safety of custody staff and inmates, modernization of aging custody facilities, and enhanced operational efficiencies.

Fiscal Analysis:

If the County is successful in its application for the \$80 million conditional award, then the recommended project would have a one-time, net capital cost to the County of \$9,411,105. It is proposed that this amount, plus an additional amount to cover cash flow debt load, be financed using a Certificate of Participation (COP), or similar instrument to be decided by the County's Debt Advisory Committee (DAC) and your Board. The chart below provides staff's projection of cash flow, dictated not only by project costs, but also significantly by State's policy of reimbursement in arrears.

The cost of utilities and maintenance to operate the facility has been reflected in the estimated operational cost figures above. These alone are estimated at \$1.9 million per year beginning in FY 17-18. That estimate uses General Services supplied FY 12-13 rates of \$5.59 per sq. ft. per year for maintenance, \$5.15 per year for utilities, and a 3% rate of cost increase.



The cash flow assumes that upon the State notice of intent to conditionally award the County, the County would begin design work using General Fund or other existing designation temporarily until, and to be repaid by, the issuance of a COP. The COP amount has yet to be determined because there are options, such as capitalization of the interest to cover peak debt load to avoid

borrowing the peak amount, and would probably be around \$11 to \$12 million in that case. That would represent an annual debt service of roughly \$880,000 to \$960,000.

A funding source for debt service has not yet been determined. Debt service for the Phase I project is estimated to be \$2.1 million annually on approximately \$26 million of remaining capital cost. The Phase II debt service cost of \$960,000 represents a savings of approximately 54% over Phase I project debt service estimates.

To meet IRS requirements, COP issuance would not occur before all funds could be expended within three years, giving a probable issuance date of about April 2015. This would temporarily require about \$7.5 million from the General Fund or other designation for capital expenses, to be reimbursed upon COP issuance. Approval of this concept is a decision that will be presented to the DAC and your Board in the future.

Your Board has already begun a plan to finance the annual operations cost of the new facility by setting aside funds from the current and future County budgets. That plan, from page A-13 of the FY 2011-12 Operating Budget, is displayed below:

| JAIL OPERATIONS DESIGNATION | | | | | | | | | | | | |
|-----------------------------|-----------|-----------|-----------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| | 2011-2012 | 2012-2013 | 2013-2014 | 2014-2015 | 2015-2016 | 2016-2017 | 2017-2018 | 2018-2019 | 2019-2020 | 2020-2021 | 2021-2022 | 2022-2023 |
| Added | 1,000,000 | 1,000,000 | 1,300,000 | 1,300,000 | 1,500,000 | 1,500,000 | 1,800,000 | 1,800,000 | 1,800,000 | 2,000,000 | 2,055,309 | 2,652,350 |
| Ongoing GFC | 1,000,000 | 2,000,000 | 3,300,000 | 4,600,000 | 6,100,000 | 7,600,000 | 9,400,000 | 11,200,000 | 13,000,000 | 15,000,000 | 17,055,309 | 19,707,659 |
| Cost | - | - | - | - | - | - | 17,000,000 | 17,510,000 | 18,035,300 | 18,576,359 | 19,133,650 | 19,707,659 |
| Cost Increase | | | | | | | | 3% | 3% | 3% | 3% | 3% |
| Balance | 1,000,000 | 3,000,000 | 6,300,000 | 10,900,000 | 17,000,000 | 24,600,000 | 17,000,000 | 10,690,000 | 5,654,700 | 2,078,341 | 0 | (0) |

Subject: Santa Barbara County Jail-Northern Branch Property Update and AB 900 Phase II Application.

Agenda Date: December 6, 2011

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Special Instructions:

Upon approval and Execution:

1). Have the Chairman of the Board sign both original Resolutions, retain one (1) of the two signed attached original resolutions, and give one (1) of the two signed original resolutions to Cmdr. Tom Jenkins, Sheriff's Office for submission to the CSA with the AB 900 Phase II application.

Attachments:

Attachment A: PowerPoint Presentation

Attachment B: Addendum to the 2008 Final Subsequent Environmental Impact Report (State Clearinghouse Number 2007111099)

Attachment C: CEQA Findings, related to the Addendum (Attachment B) to the 2008 Final Subsequent Environmental Impact Report (State Clearinghouse Number 2007111099)

Attachment D: Resolution – Two (2) identical Original Resolutions submitted with the Board Letter.

Attachment E: AB 900 Phase II Application Draft

Attachment F: Copy of letter from the Corrections Standards Authority dated October 27, 2011 requesting an Application from Santa Barbara County.

Attachment G: Needs Assessment Update - 2008 - 2011, November 2011

Authored by: Thomas L. Jenkins, Sheriff's Office

Grady Williams, Capital Projects, General Services Department

Cc: