



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: General Services
Department No.: 063
For Agenda Of: September 10, 2019
Placement: Departmental
Estimated Time: 30 Minutes
Continued Item: No
If Yes, date from: N/A
Vote Required: Majority

TO: Board of Supervisors
FROM: General Services Janette Pell, Director, 560-1011
Contact Info: Lynne Dible, Assistant Director, 568-2678
Toni Bailey, Cost Analyst 568-2326
SUBJECT: Northern Branch Jail Project – Authorize Signatory for the AB900 Phase II California State Public Works Board Project Financing Documents

County Counsel Concurrence

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Other Concurrence: Risk Management

As to form: Yes

Recommended Actions:

That the Board of Supervisors:

- a) Adopt the attached resolution to:
 - 1) Approve as to form the attached Facility Sublease and authorize the Chair, the County Executive Officer or designee to sign this sublease as part of the California Department of Finance's AB900 Bond Financing.
 - 2) Adopt the attached resolution authorizing the Chair, the County Executive Officer or their designees to execute the Facility Sublease in substantially the form attached and to do any and all things, and execute and deliver any and all documents and agreements, which they may deem necessary to consummate the execution and delivery of the Facility Sublease and the issuance the California State Public Works Board AB900 Phase II Project bonds for the financing of the Northern Branch Jail after review and approval by General Services, County Counsel, and Auditor Controller.

- b) Determine that the above action is not a project as defined by the California Environmental Quality Act (CEQA) Guidelines Section 15378(b)(5), as it is an administrative activity that will not result in direct or indirect changes in the environment.

Summary Text:

The California State Public Works Board (SPWB) is preparing to issue Lease Revenue Bonds for the AB900 Phase II Jail Financing Program which is funding \$80 million of the Northern Branch Jail. Therefore the County is required to designate authorized officers to sign on all necessary documents and agreements relating to the issuance of the Bonds and return them to the SPWB within a 2 to 3 day deadline when they are presented to the County. Those documents include, but are not limited to, the Facility Sublease, Tax Certificate and other documents related to the County's AB900 Phase II Northern Branch Jail Project. Therefore, the SPWB requires the County to authorize officers to sign on behalf of the County to ensure availability of an officer to sign and return the documents within the deadline. Staff recommends that each of the Chair, the County Executive Officer, or their designees (collectively known as Authorized Officers) pursuant to the attached resolution to sign documents on behalf of the County.

The Facility Sublease, Exhibit A, shows the form and substance of the agreement that will be signed by the Authorized Officer on behalf of the County for the State's issuance of the Lease Revenue Bonds.

Background:

On January 15, 2013, the Board of Supervisors entered into the Board of State and Community Corrections (BSCC) Jail Construction Agreement for Santa Barbara County for the Northern Branch Jail (NBJ) AB900 Phase II Project (the Project). The Board of Supervisors also entered into a project delivery and construction agreement with the SPWB, the California Department of Rehabilitation and Corrections (CDCR) and the BSCC to fund the construction of the Northern Branch Jail. Both agreements were revised and reapproved on May 14, 2013.

Per the Agreements, the SPWB intends to oversee and issue lease revenue bonds for the AB900 Phase II Financing Program. The SPWB is authorized to finance the acquisition, design and construction of a jail facility approved by the BSCC pursuant to Section 15820.916 of the California Government Code (the AB 900 Phase II Jail Financing Program).

Concurrent with the issuance of the Bonds for the Project, CDCR will enter into lease for the site (Site Lease) with the SPWB under which the board will lease the site at which the Project is located from CDCR. The SPWB will enter into a Facility Lease (Facility Lease) with CDCR under which CDCR will lease the facility from the SPWB. The rental payments under the Facility Lease will secure the payment of principal and interest on the SPWB's Bonds. Concurrent with the executing the Site Lease and the Facility Lease, CDCR and the County will enter into a Facility Sublease whereby CDCR will sublet the Facility to the County pursuant to the terms of the Facility Sublease. The Facility Sublease was always intended to part of the AB900 transaction and was previously provided to and contemplated by the Board.

In September 2016, the County began invoicing the BSCC to claim State Funded reimbursable costs. The County received the first reimbursement October 6, 2016. The SPWB has been financing the Project and

reimbursing costs through an Interim Loan made pursuant to Sections 16312 and 16313 of the California Government Code (Pooled Money Investment Board loans), Section 15849.1 of the California Government Code (General Fund loans), until such time as the Lease Revenue Bonds are issued. The Board is preparing to issue the Bonds in the Fall of 2019.

At this time, the Northern Branch Jail is scheduled to be completed in December 2019.

Impacts:

None

Staffing Impacts:

Legal Positions: 0 FTEs: 0

Special Instructions:

Please return 5 original copies with wet signatures and one copy to Toni Bailey, General Services xt 82623

Attachments: 1.Attachment A - Resolution Designating County Authorized Signatory to Execute Documents for the AB900 Phase II State Bond Sale

2. Attachment B – Form of Facility Sublease

Authored by: Toni Bailey

cc: Lynne Dible, Assistant Director General Services