



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 Department
Department No.: 032
For Agenda Of: 2/19/08
Placement: Departmental
Estimated Tme:
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors
FROM: Sheriff, Bill Brown, Ext 4290
Contact Info: Cmdr Tom Jenkins Ext 4249
SUBJECT: County Jail – Northern Branch, AB 900 Grant Proposal

County Counsel Concurrence

As to form: Yes

Auditor-Controller Concurrence

As to form: N/A

Other Concurrence:

As to form: N/A

Recommended Actions:

That the Board of Supervisors:

1. Receive a presentation on the status of the County's response to the Corrections Standards Authority's Request for Proposal (RFP) to compete for an award of funds on behalf of the County of Santa Barbara for construction of a county jail;
2. Provide conceptual approval and direct Sheriff to return on March 11, 2008 for authorization to sign and submit the application, and to enter into an agreement to accept an award on behalf of the County of Santa Barbara;
3. Direct Sheriff to return on March 11, 2008 for the Board's consideration of adopting the Resolution denoting County assurances in accordance with the RFP;

Summary Text:

This hearing is set to consider giving the Sheriff authority to submit a request for proposal (RFP) submission to the Corrections Standards Authority (CSA) for an award of funds to construct a new county jail. The CSA is acting as the approval agency for the California Department of Corrections and Rehabilitation (CDCR) to authorize funding the County, which is eligible to apply for up to \$80 million with a 25% match by the County for the construction of new jail beds under Assembly Bill 900. The total estimated construction cost of the project is approximately \$80.2 million, wherein \$56.6 million would be funded under the grant by the State and \$24 million would be funded by the County. This would require an issuance of approximately \$29 million (including additions for reserve and interest costs during construction) in COP debt. The new facility, when open, would cost an estimated \$13.2

million in operating costs in FY08-09 dollars. Operating costs would be 27% less if the facility is built with a Secure Community Reentry Facility (SCRF).

The Board is faced with two policy options:

Option 1: Submit AB 900 grant application for \$56.6 million in construction funding and agree to operate and maintain the facility after completion.

This option would require an issuance of Certificates of Participation (COP) in the estimated amount of \$29 million. The payments for the COP debt would be approximately \$2.4 million per year. In addition, operating costs for a facility not built in conjunction with a SCRFP would be approximately \$13.2 million based on FY08-09 dollars. These costs would grow at an estimated 5.5% per year thereafter.

The *advantage* of this option is the County's ability to take benefit from this rare opportunity to receive 75% of jail construction funding from the State, which is estimated to be \$56.6 million.

Building a new jail facility in the North County will have a strong economic impact on the community. During construction, money will be spent in the local area on labor, products and services. Once built, additional jobs will be created to run the facility and support the operation. The potential of an additional \$160 million SCRFP adds additional positive economic impact. Together these facilities would constitute the largest public works project in the history of Santa Barbara County.

The *disadvantage* of this option is a potential for reductions in other County operations if a new revenue source is not identified and the current economic downturn continues beyond the next five years. In addition, the County would assume any overrun costs on the construction project based on the conditions of the proposal.

Option 2: The Board elects not to proceed with the proposal application.

The *advantages* of this option are that the County will not be faced with the possibility that discretionary funds will need to be redirected to operate the project.

The *disadvantages* of this option are that the County will continue to be faced with the problem of jail overcrowding. The Blue Ribbon Commission on Jail Overcrowding report explains in detail the need for additional bed space and growth of the need over time. Not addressing the jail overcrowding problem will lead to further negative impacts on public safety. Not proceeding exposes the County to potentially significant financial liability due to ongoing jail overcrowding litigation such as court sanctions and claims of civil rights violations. Any further delay in initiating construction will increase the ultimate cost of the project by 5% to 12% per year.

Background:

Proposed Project:

The Sheriff’s Department proposes to build a Type II county jail with 304 beds. This will include the necessary supporting infrastructure such as inmate receiving, laundry, kitchen, administration, inmate programming and related functions. The facility will house both male and female inmates, in a mix of medium, high security and isolation cells. When designed, the facility will take advantage of construction elements that reduce the cost of materials and reduce long term operational cost.

State’s AB 900 program for Funding of County Jails:

The County is eligible to receive up to \$80 million with a 25% local match funding for the construction of new jail beds under Assembly Bill 900.

The proposals will be evaluated based on the factors and points system outlined in the chart below. The maximum number of points a county can receive is 1325.

EVALUATION FACTOR	MAXIMUM POINTS
Project Need	250
Detention Alternatives	100
Scope of Work and Project Impact	100
Administrative Work Plan	100
Net Gain in Beds	200
Cost Effectiveness	150
Cash Match	25
Preference Points for Assisting the State in Siting a Reentry Facility	300
Preference Points for Assisting the State with Mental Health and Crisis Care Services for State Parolee and Ex-Offender Population	100
TOTAL POINTS	1325

The proposal anticipates that the State will provide \$56.6 million for construction and the county will provide (hard and soft match) approximately \$29 million for the proposed project. The estimated annual debt service for this match would be approximately \$2.4 million when amortized over 30 years, none of which is eligible for State funding under the AB 900 program.

The estimated additional cost to the county for annual operation and maintenance is \$13.2 million for staff salaries and services & supplies is based upon FY08-09 financial estimates.

Reentry Facility:

The RFP provides for the possibility of earning 300 points if the County agrees to assist the State in siting a Reentry Facility. The project proposal from Santa Barbara County proposes that a Reentry Facility be collocated with the Northern Branch County Jail. On June 19, 2007, the Board signed an agreement to cooperate with the State on the placement of such a facility.

The State Reentry Facility would share in the development of additional infrastructure and mitigate the costs of certain shared functions, reducing the net impact to the county by as much as \$3.6 million (27.2%) annually in operating costs based on FY08-09 estimates.

The concept of the Reentry Facility is helpful in creating efficiency by cost sharing between the State and the County. Most importantly, the Reentry Facility provides a mechanism to reduce recidivism by better preparing State prison inmates from Santa Barbara County to return to the community. This preventative function is anticipated to reduce the long term demand for jail beds.

Board of Supervisors Resolution:

The State's RFP requires a responding proposal to include a Resolution with specified language, to be adopted by the Board. Included in the language are certain assurances, providing that the County will:

- Fund its 25% match portion of construction of the facility
- Fully staff and safely operate the facility within 90 days of completion
- Identify the authorized county representatives
- Possess a project site within 90 days of intent to award (*Scheduled for May 8, 2008*)
- Sign an agreement to cooperate with placement of a State Reentry facility (performed by the Board on June 19, 2007)
- Identify a State Reentry Facility building site
- Provide a continuum of care for mentally ill parolees within the county and identify a physical location
- Authorize the Sheriff to submit and sign the final proposal

Following intent to award, which is anticipated in May of 2008, the County will be expected to participate in good faith negotiations to sign several agreements as listed below:

1. Siting Agreement for a Secure Reentry Program Facility
2. Project Delivery and Construction Agreement
3. Ground Lease for the Jail site
4. Right of Entry for Construction
5. Site Lease –
 - a. Lease Revenue Bond Financing agreement for the jail site
6. Facility Sublease – Lease back to the County for use of the Jail

When construction occurs,

- The County must provide the facility listed within the scope of the project
- The State will not provide additional funding beyond the original award
- The County cannot reduce the scope of the project
- The County will receive State funding in arrears, payable quarterly
- The State will withhold 20% of its funding until the facility is operational and fiscal audit report has been approved.

There are several agreements included in the AB 900 RFP that require County action. County Counsel was asked for an opinion on when the County's commitment to the AB 900 program would become irrevocable. The answer depends on whether or not preference points are sought for the siting of a Secure Reentry Facility (SRF) at the proposed jail. If so, the County will be required to sign a binding

siting agreement within 90 days of receipt of conditional award. The penalty for failure to sign is that the County's proposal would be brought back before the CSA board for reconsideration. The other agreements do not have specified return dates because they do not pertain to an award preference and so need not be returned while the award process is still ongoing.

Project Site:

An offer to purchase has been made to a prospective seller for a 50 acre parcel located at Black and Betteravia roads. For this project at this site, an Environmental Impact Report (EIR) pursuant to the California Environmental Quality Act (CEQA) has been performed, is near completion and will be brought to the Board for certification on March 11, 2008. The County's future use of the site would be conditioned on CEQA compliance. Acquisition of the property is anticipated through fee simple ownership or by order of pre-judgment possession, within the time period required by the State's RFP, (90 days after notice of intent to award the funds).

Attachments:

A. Board Resolution

B. Request for Proposal Form: the form and instructions can also be found at http://www.cdcr.ca.gov/Divisions_Boards/CSA/CFC/Index.html

Authored by:

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