



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: CEO, Sheriff
Department No.: 012, 032
For Agenda Of: 4/22/08
Placement: Administrative
Estimated Tme:
Continued Item: No
If Yes, date from:
Vote Required: 4/5

TO: Board of Supervisors
FROM: Select_From Michael F. Brown, County Executive Office & Bill Brown, Sheriff
Contact Info: Jason Stilwell 568-3413, Ken Shemwell 681-4288
SUBJECT: New County Jail – Land Acquisition

Auditor-Controller Concurrence

As to form: Yes

Recommended Actions: That the Board of Supervisors:

Approve Budget Revision 2007240, releasing \$2,000,000 from the Capital Designation, \$335,000 from Strategic Reserve, and \$935,000 from the Sheriff designation and appropriating \$3,270,000 in the Capital Outlay to be used for a deposit with the Courts in order to acquire land for the New County Jail.

Summary Text:

On March 11, 2008, the Board approved a Resolution of Necessity to acquire approximately 50 acres in fee simple title for the site of the New County Jail and any related public improvements on a portion of property owned by Agland Venture Capital Group, Inc. The identified 50 acres have been appraised at \$3,270,000. In order to proceed with the eminent domain proceedings, the funds will need to be deposited with the Courts. The budget revision appropriates the funds within the Sheriff's Department, Capital Outlay fund, allowing for the transfer of funds.

Background:

The need for a new County jail facility was identified over 20 years ago and subsequent Grand Jury reports have reiterated that need. Since 1986 it has been under a court-ordered population capacity, requiring the Sheriff to release offenders early or not put them in jail at all. Efforts to build a new county jail began with the 1991 North Santa Barbara County Correctional Master Plan. The New County Jail project is the largest project presented in the Capital Improvement Plan.

In March of 2008, the Santa Barbara County submitted an application, applying for the Assembly Bill (AB) 900 funds. AB 900 was passed in 2007 and authorizes \$1.2 billion for construction or expansion of county jails and secure community reentry facilities. The Board approved a resolution giving certain

assurances and authorized the Sheriff to sign and submit the application to enter into an agreement to accept an award on behalf of the County of Santa Barbara.

The proposal is to build a 304 bed Type II county jail. As proposed, 75% of the capital investment will be reimbursed by the State under AB900 if the County receives the award. The total capital cost of the project is estimated at approximately \$80 million and the total additional operations cost is estimated at \$13 million in today's dollars and growing at an annual rate of 5.5%. If the grant is accepted and the project is completed using the grant funds, the County will be obligated to operate the facility.

Securing a land site for construction of the New County Jail has been a priority for the County independent of the grant application for AB900 funds. Fifty acres have been identified by County staff for this purpose and the Board has subsequently approved the resolution of necessity for acquisition of the identified land. The cost of the land, based on the appraisal value, is \$3,270,000 and is included in the total estimated project cost of \$80 million.

Fiscal and Facilities Impacts:

Budgeted: No

Fiscal Analysis:

<u>Funding Sources</u>	<u>Current FY Cost:</u>	<u>Annualized On-going Cost:</u>	<u>Total One-Time Project Cost</u>
General Fund	\$ 2,335,000.00		
State			
Federal			
Fees			
Other: Fund 0030	\$ 935,000.00		
Total	\$ 3,270,000.00	\$ -	\$ -

The action presented to the Board today is to transfer the \$3,270,000 for the land acquisition. The land acquisition is an independent item from the application for AB 900 funds.

If the AB900 funds are awarded to the County for this project, however, the County match of the total capital cost is estimated to be \$24 million. This amount would likely have to be funded by Certificates of Participation (COP). Based on COP proceeds use rules and guidelines, the most feasible time to issue the COP is in early 2010. Approximately \$8 million is estimated to be expended prior to the COP issuance, including the land acquisition expense. The source of the remainder of \$8 million (\$4,730,000 less the amount of this transfer) has not been identified. The \$8 million spent prior to the COP issuance is reimbursable by COP proceeds at Board's discretion, provided that the Board approves a Reimbursement Resolution no later than 60 days after payment of the original expenditure. That resolution is also on today's agenda. Financing the capital cost match with COP proceeds will cost the County approximately \$17 million in interest, assuming a 20 year repayment period, and up to \$5 million in costs associated with the issuance and reserve requirements. Using existing discretionary funds would not have these costs.

The net capital expenditure to the County per fiscal year basis is identified in the chart below (rounded to the nearest \$100,000)

	FY2007-08	FY2008-09	FY2009-10	FY2010-11	FY2011-12	FY2012-13
Total Cash Spent less Payments Received from the State	\$ (3,300,000)	\$ (2,400,000)	\$ (2,500,000)	\$ (6,700,000)	\$ (11,000,000)	\$2,000,000

The total estimated additional operations cost for the New County Jail is \$13 million per year in today's dollars and growing at an annual rate of 5.5%. The facility is estimated to begin its operations in 2013. If the facility is co-located with a Secure Community Reentry Facility (SCRF), operations costs may drop by as much as \$3.3 million due to shared infrastructure and staff.

Authored by:

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cc: