

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT General Services	(2) MEETING DATE 6/19/2012	(3) CONTACT/PHONE Katie Perez, Deputy Director, General Services (805) 781-5200	
(4) SUBJECT Request to adopt a Resolution, approve a Ground Lease Agreement (Clerk's File), Right Of Entry Agreement (Clerk's File), Utility Easement Agreement (Clerk's File), and authorize a Budget Adjustment in the amount of \$1,432,117 to enable the continued development of the Women's Jail Expansion project.			
(5) RECOMMENDED ACTION General Services recommends your Board: <ol style="list-style-type: none"> 1. Adopt a Resolution confirming the full legal right and power of the Board of Supervisors to enter into the Ground Lease with the Department of Corrections and Rehabilitation of the State of California and to carry out and consummate all transactions contemplated by the Ground Lease, and 2. Approve and instruct the Chairperson to sign a Ground Lease Agreement (Clerk's File) with the Department of Corrections and Rehabilitation of the State of California, and 3. Approve and instruct the Chairperson to sign a Right Of Entry For Construction Agreement (Clerk's File) with the Department of Corrections and Rehabilitation of the State of California, and 4. Approve and instruct the Chairperson to sign an Easement Agreement For Grants Of Access, Utilities And Repairs (Clerk's File) with the Department of Corrections and Rehabilitation of the State of California, and 5. Authorize a Budget Adjustment in the amount of \$1,432,117 from the Capital Projects Fund – Detention Facilities Reserve for the Women's Jail Expansion capital project to continue processing the proposed facility expansion through completion of the construction bid period (4/5 vote required) 			
(6) FUNDING SOURCE(S) State Lease Revenue Bonds: \$25.1 million County Funds (from reserves): \$10 million In-Kind Match: \$1.3 million	(7) CURRENT YEAR FINANCIAL IMPACT \$2.6 million (initial funding + current funding request)	(8) ANNUAL FINANCIAL IMPACT The on-going staff and operational cost is estimated to be \$1.6 million beginning in FY 13/14 or FY 14/15.	(9) BUDGETED? Yes Approximately \$2.5 million is budgeted. The rest is designated in reserves.
(10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation (Time Est. _____) <input type="checkbox"/> Hearing (Time Est. _____) <input type="checkbox"/> Board Business			
(11) EXECUTED DOCUMENTS <input checked="" type="checkbox"/> Resolutions <input type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input type="checkbox"/> N/A		(12) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: 1112147 <input checked="" type="checkbox"/> 4/5th's Vote Required <input type="checkbox"/> N/A	
(13) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(14) W-9 <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	
(15) LOCATION MAP Attached	(16) BUSINESS IMPACT STATEMENT? No	(17) AGENDA ITEM HISTORY <input type="checkbox"/> N/A Dates 07/18/2006; 12/04/2007 01/29/2008; 03/11/2008; 09/21/2010; 02/22/2011; 04/10/2012	
(18) ADMINISTRATIVE OFFICE REVIEW Vincent Morici			
(19) SUPERVISOR DISTRICT(S) District 2 -			

County of San Luis Obispo



TO: Board of Supervisors

FROM: General Services / Katie Perez, Deputy Director, General Services
(805) 781-5200

DATE: 6/19/2012

SUBJECT: Request to adopt a Resolution, approve a Ground Lease Agreement (Clerk's File), Right Of Entry Agreement (Clerk's File), Utility Easement Agreement (Clerk's File), and authorize a Budget Adjustment in the amount of \$1,432,117 to enable the continued development of the Women's Jail Expansion project.

RECOMMENDATION

General Services recommends your Board:

1. Adopt a Resolution confirming the full legal right and power of the Board of Supervisors to enter into the Ground Lease with the Department of Corrections and Rehabilitation of the State of California and to carry out and consummate all transactions contemplated by the Ground Lease, and
2. Approve and instruct the Chairperson to sign a Ground Lease Agreement (Clerk's File) with the Department of Corrections and Rehabilitation of the State of California, and
3. Approve and instruct the Chairperson to sign a Right Of Entry For Construction Agreement (Clerk's File) with the Department of Corrections and Rehabilitation of the State of California, and
4. Approve and instruct the Chairperson to sign an Easement Agreement For Grants Of Access, Utilities And Repairs (Clerk's File) with the Department of Corrections and Rehabilitation of the State of California, and
5. Authorize a Budget Adjustment in the amount of \$1,432,117 from the Capital Projects Fund – Detention Facilities Reserve for the Women's Jail Expansion capital project to continue processing the proposed facility expansion through completion of the construction bid period (4/5 vote required)

DISCUSSION

Background

During the FY 1999-00 budget process The Board approved funding to begin the process to address overcrowding and increasing inmate population issues at the existing female jail facility at the County's Operations Center. Over subsequent years, architectural consultants were retained to provide extensive master planning for the entire Operations Center and programming for the Sheriff's functions. A contract for architectural services to develop the design and construction documents for the Women's Jail Expansion Project was approved in 2006. In 2008, the County received a conditional award of a \$25.1 million grant from the State of California AB 900 Grant Fund. At the end of 2008, the County placed all architectural construction document production on hold, until it was reasonably certain the State of California could provide grant funds for the proposed facility expansion.

In February of 2011, your Board authorized the restart of the women's jail expansion project after over two years of inactivity. AECOM, the County's architectural consulting firm, was directed to resume preparation of construction documents. Your Board also authorized County staff to begin negotiations with the State of California in the preparation of contracts necessary to obtain the AB 900 Grant funds.

In April of 2012, your Board approved a Project Delivery and Construction Agreement (PDCA) and a Corrections Standards Authority (CSA) Jail Construction Agreement with the State of California. The agreements provide a mechanism for the women's jail expansion project to move through the AB 900 State Lease Bond process. The signed documents were approved and executed by State agencies responsible to execute the Grant award agreements on May 11, 2012.

See Attachment "A" for project history.

Project Status

The conditional State Grant award has required significant County staff time to coordinate and manage the project with various State agencies before the County is officially awarded the \$25.1 million State grant. The State's legal counsel has made frequent requests for financial reports/estimates, project development documents, and numerous lease bond/utility lease agreements. The detailed documents are extensive and very complex. The legal agreements must be completed and executed before final State Grant funding approval is received by the County. The contract negotiation and processing with various State agencies is estimated to continue for several more months until all contract documents between the State and County are finalized and approved by both parties.

In addition, construction document preparation is nearing completion by AECOM, architectural consultant for the project. The documents have been recently plan checked by the Corrections Standards Authority (CSA) and State Fire Marshall (SFM). Plan check corrections have been completed by AECOM and the revised construction documents have been returned to the State for final review. Once the documents receive final plan check approval from CSA and SFM, a public hearing will be scheduled by the State Public Works Board to confirm approval of the plans and authorize the County to request construction bids for the project.

Current Request

The first steps necessary to obtain State funding for the project have been accomplished. Your Board is being asked to approve five actions related to the continued processing of the Women's Jail Expansion project. The first four actions are a continuation of the State requirements necessary to obtain AB 900 funding for the project. The fifth action is a budget adjustment that will provide funding to complete the final steps in the project design and provide funding for consultant services necessary to carry the project through the bidding process and construction management services through project construction.

The first action is a request that your Board adopt a Resolution to confirm the full legal right and power of the Board of Supervisors to enter into the Ground Lease Agreement with the Department of Corrections and Rehabilitation of the State of California and to carry out and consummate all transactions contemplated by the Ground Lease. The Resolution is required by the State and is necessary to enable the future sale of the State bonds that will provide the State's share of funding for the proposed jail expansion project.

The second action is a request to approve the Ground Lease Agreement (Clerk's File). The Ground Lease Agreement authorizes the State Public Works Board to finance the acquisition, design and construction of the jail facility expansion. This action is also a necessary component for the future sale of State bonds.

The third action is a request to approve a Right of Entry for Construction Agreement (Clerk's file) the Right of Entry Agreement grants to the County the right to access the ground lease site for all construction related activities concerning the jail expansion.

The fourth action is to approve an Easement Agreement For Grants of Access, Utilities And Repairs (Clerk's File) with the Department of Corrections and Rehabilitation of the State of California. The Easement Agreement is a blanket easement over the entire Sheriff's facility to allow access for installation and repair of utility lines that serve the new women's jail and medical facility. This Easement Agreement is required for the future sale of the State bonds that will fund the project.

The design of the project remains on track. However, additional funding is needed to coordinate and administer the project through completion of the competitive construction bid phase. Your Board is requested to authorize a Budget Adjustment in the amount of \$1,432,117 from the Capital Projects Fund – Detention Facilities Reserve Fund for the Women's Jail Expansion Project. The funds will be used to:

- Retain a construction management consultant and several architectural and engineering consultants,
- Pay for State agency fees including review and administration of property documents by DGS Real Estate and review of plans and specifications by the State Fire Marshall and Corrections Standard Authority

- Contract for minor construction services to move power poles serving Camp San Luis Obispo which are currently on the project site and must be moved before the State will authorize funding, and
- Cover General Services Agency project coordination costs.

Most of the above costs are part of the in-kind and cash-match costs required of the County of San Luis Obispo in the original AB 900 Grant Application. Upon receipt of construction bids and authorization by the State, your Board will be requested to authorize award of a construction contract to the apparent qualified low bidder and authorize a subsequent Budget Adjustment to fund the entire proposed construction contract.

OTHER AGENCY INVOLVEMENT/IMPACT

The County Administrative Office, County Counsel, General Services Agency and the Sheriff's Office continue to work with the Corrections Standards Authority, California Department of Corrections and Rehabilitation, State Department of General Services Real Estate Division, and State Department of Finance to facilitate the project and grant funding. The County has worked with the Environmental Division of Planning & Building, California Department of Fish and Game, Regional Water Quality Control Board, Army Corps of Engineers, Air Pollution Control District and the California Department of Forestry and Fire Protection during the environmental review period.

FINANCIAL CONSIDERATIONS

In FY 1999-00, your Board initially funded the CIP project with \$150,000 from the General Fund to initiate master plan studies of the proposed facility expansion. Since that time, your Board has authorized \$2,334,000 of additional funds for the proposed project. The funds have been used for project master planning, architectural consultant search and assessment, architectural consultant fees, civil engineer/survey fees, environmental review, grant application processing, State fees and project coordination.

The current funding allocated to the project is nearly expended. Your Board is requested to authorize a Budget Adjustment in the amount of \$1,432,117 from the Capital Projects Fund – Detention Facilities Reserve for the Women's Jail Expansion Project. . The additional funds are needed to allow the project to progress through completion of the construction bid period. The breakdown of the funding and use is as follows.

- Construction Management Services contract – estimated cost \$1.085 million. This is the major portion of the requested additional project funding. Funding for the contract for construction management services will provide assistance with preparing the bid package as well as management and oversight throughout the construction of the project.
- Other consultant service contracts (i.e. architectural, civil engineering, plan check firms) - \$132,000. These funds will pay for additional architectural services and specialized civil engineering costs not covered in the original contracted services as the original contracts for these services were approved before the County applied for and received approval for the AB 900 funds. Most of these costs are directly related to meeting AB 900 requirements.
- State agency fees - \$20,000. These fees include review and administration of property documents by DGS Real Estate and review of plans and specifications by the State Fire Marshall and Corrections Standard Authority
- Document reproduction and distribution to State agencies for review - \$8,500,
- Minor construction services which include utility investigation - \$5,000, power pole relocation - \$25,000, project coordination - \$128,750, and contingency cost - \$27,750.

The following summarizes in broad terms the overall anticipated expense and sources of funding for the project. Construction costs for the women's jail and medical facility are eligible for approximately \$25.1 million in State funding. The County's share of cash funding for the jail housing unit and medical facility is estimated at \$7.1 million (Table 1). Funding for the new security system has been identified and the security component will be included with the State funded components. Funding for the IRC construction has not been identified. Construction is estimated to be \$5.5 million. This project component would only be recommended if there were sufficient savings in other areas of the project.

TABLE 1
State Funded Authorized Project Components

Facility	Expense		Sources of Funding	
	Est. Cost	State Funding	In Kind Match	County Cash Funding
Housing Unit	\$27.5 M	\$25.1 M	\$1.3 M	\$7.1 M
Medical Facility	\$6 M			
Total	\$33.5 M	\$25.1 M	\$1.3 M	\$7.1 M

Table 2 below illustrates the cost of all project components included in the project along with associated funding sources.

TABLE 2
Total Project Costs and Funding Sources

Facility	Expense		Sources of Funding	
	Est. Cost	State Funding	In Kind Match	County Cash Funding
Housing Unit	\$27.5 M	\$25.1 M	\$1.3 M	\$7.1 M
Medical Facility	\$6 M			
Security System	\$2.9 M	0	0	\$2.9 M
Total	\$36.4 M	\$25.1 M	\$1.3 M	\$10 M
Optional IRC*	\$5.5 M	0	0	*\$5.5 M
Total with Option	\$41.9 M	\$25.1 M	\$1.3 M	\$15.5 M

* Funding for the \$5.5 million to construct the optional IRC remodel and expansion is not yet identified. State funding is not available for this facility.

The State required that an estimate of the 30 year operational and staffing costs for the facility be developed. The operational and staffing costs for a 30 year term were estimated and presented to your Board on April 10, 2012 and are shown below.

- Maintenance costs were estimated to be \$2,463,000
- Utility costs were estimated to be \$1,182,000
- Staffing costs were estimated to be \$82,763,040 for 24 dedicated staff which includes correctional deputies, a correctional sergeant and support staff.
 - The existing women's jail currently has 12 dedicated staff. 12 additional staff will be required to run the larger facility. 10 of these additional staff have already been funded through AB 109. The \$82 million figure above is comprised of \$43,825,082 associated with the continuation of existing staff and \$38,937,958 is associated with the additional staff required to run the expanded women's jail. Of this additional funding, \$32,579,884 is funded with AB 109 funding which leaves \$6,358,074 for two positions.

RESULTS

The adopted Resolution is required in order for the State of California to sell bonds to fund State Grant AB 900 for the Women's Jail Expansion project. The fully executed Ground Lease Agreement, Right of Entry for Construction Agreement and Easement Agreement are required by the State as a condition of the grant award.

The Budget Adjustment will provide additional funding to continue processing the proposed project through the end of the construction bid phase. The requested funding is included in the County's cash match or in-kind match funding required in the Grant application. The proposed project will result in the women's jail capacity increasing by up to 155 beds, alleviate overcrowding conditions and provide inmate capacity for the future. It will also provide improved medical facilities for both men and women inmates, additional space for rehabilitation programs, inmate counseling and education. The proposed facility improvements included in the expansion project will contribute to a safer community, help reduce maintenance/repair costs and improve jail security.

ATTACHMENTS

1. WJE 061912 Attachment A Chronology of Board Actions
2. WJE Vicinity Map
3. WJE Resolution
4. WJE Ground Lease Agreement (Clerk's Filed)
5. WJE ROE for Construction Agreement (Clerk's Filed)
6. WJE Easement Agreement for Grants of Access, Utilities and Repair (Clerk's Filed)