

TO: Chairman and Members

DATE: July 22, 2013

**SUBJECT: Requesting Approval of the AB 900 Phase II
Jail Construction Financing Program –
Sutter County’s Request for Time Extension**

AGENDA ITEM: D

**ACTION: X
INFORMATION:**

RESOURCE PERSON: Robert Oates

Summary:

This action agenda item requests the Board of State and Community Corrections (BSCC) grant a time extension to Sutter County that has been unable to meet the project establishment milestone requirement in the Assembly Bill (AB) 900 Phase II Request for Applications – Construction or Expansion of County Jails.

Background:

AB 900 (Chapter 7, Statutes of 2007) provided \$1.22 billion in lease-revenue bond financing for the construction of county jail facilities, with the funding authority divided into two phases. The Corrections Standards Authority (CSA) Board conditionally awarded Phase I funding to counties beginning in May 2008. Phase II funding was awarded to counties beginning in March 2012.

On October 7, 2011 CSA released the AB 900 Phase II Request for Applications – Construction or Expansion of County Jails, as approved by the CSA Board. The Request for Applications identified –in part - that projects were required to reach the Project Establishment milestone at a State Public Works Board meeting within twelve months of award.

Funded counties are required to meet their milestones, showing the progress of their construction project in the planning stages and leading up to the actual construction. These required project milestones, along with a project schedule submitted with each application, allow for a project’s progress to be tracked by the BSCC staff, and subsequent reporting of the projects’ status to the BSCC. In the case of a county’s project not meeting the schedule or required milestones, it allows the Board to review that county’s award status and take action as may be deemed appropriate.

Sutter County received a conditional award for AB 900 Phase II financing at the March 8, 2012 CSA meeting. As noted above, Sutter County had 12 months from notice of award to have their project established by the State Public Works Board (SPWB). At the March 14, 2013 BSCC meeting, the Board approved the County’s request for a three month time extension for project establishment. The three month extension period for Sutter County expired June 2013; at this time, they are unable to meet this deadline. See Attachment A for Sutter County’s request for an additional extension of time (4 months to October 2013) to meet this requirement.

Recommendation/Action Needed:

Staff recommends the BSCC:

- Approve the request from Sutter County for an extension of 4 months to October 2013 to prepare the necessary documentation for project establishment by the SPWB.



Sutter County

Public Works Department

Douglas R. Gault, Director

(530) 822-7450, Fax (530) 822-7109
1130 Civic Center Blvd., Suite G, Yuba City, CA 95993

June 27, 2013

Robert Oates, Project Director III
County Facilities Construction Division
Board of State and Community Corrections
600 Bercut Drive
Sacramento, CA 95811

SUBJECT: AB900 Phase II – Project Time Extension

Dear Mr. Oates:

The County of Sutter respectfully requests a five-month time extension until October 11, 2013 to achieve the fourth milestone of the AB 900 Phase II program, project establishment within 12 months of award.

In conjunction with state agencies, the County has resolved the issue which arose during the Records Search phase of the Real Estate Due Diligence. County records indicated that a Violent Offender Incarceration and Truth-in-Sentencing (VOI/TIS) Incentive Formula Grant had been accepted by the County in May 1998. In order to resolve ambiguous title restriction language, a Memorandum of Federal Assurances prepared by the State Department of General Services and approved by the Federal Department of Justice and the County of Sutter was signed by all three agencies and recorded in the County of Sutter in May 2013. The memorandum includes an exhibit which defines the property improved with the grant funds and separates this area from the land area to be improved with the AB 900 Phase II financing.

The County requests the time extension because we have not completed the Seismic Evaluation which we began in February 2013. In April 2013 the County and our design consultants were able to meet with State Department of General Services structural engineering staff to discuss our project and the specifics required to upgrade our building to meet the seismic level 3 performance standard. Prior to the meeting our design team had prepared various retrofit scenarios to meet the seismic standard. During the meeting we contacted State Department of Finance staff seeking an interpretation of the seismic standard and whether a portion of existing building could be excluded from the bond financing lease limits. During the week of May 6, 2013, we received notification that the County will have to seismically upgrade the entire building. We were also notified that all costs associated with the seismic upgrades are not eligible for the bond financing program. Our architectural and structural engineering design team is completing its analysis of our existing Sheriff's Office facilities so they may prepare an accurate cost estimate to upgrade the facilities to meet the seismic level 3 standard. The Seismic Evaluation was completed on May 31, 2013.

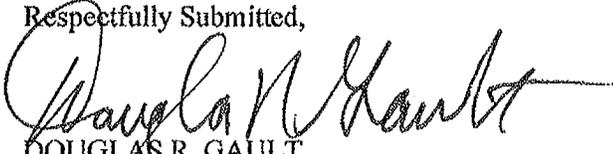
Sutter County requests this time extension so we may review the cost estimate and the County's available funding sources and seek the approval of our Board of Supervisors in advance of the agenda deadlines for

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the State Public Works Board to establish the Project Scope, Cost and Schedule. We have included a detailed project schedule to further clarify the initial schedule submitted with our project application.

If you have any questions or need additional information please contact Neal Hay at nhay@co.sutter.ca.us or directly at (530) 822-4402.

Respectfully Submitted,



DOUGLAS R. GAULT
DIRECTOR OF PUBLIC WORKS

Enclosure: Project Schedule Update, 5/13/13