



Monterey County

Item No.28

Board Report

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

Legistar File Number: RES 21-047

March 09, 2021

Introduced: 2/25/2021

Current Status: RMA Administration -
Consent

Version: 1

Matter Type: BoS Resolution

Adopt Resolution to:

- a. Authorize the execution and delivery of a Facility Sublease and ratification of all previous actions with respect to the Monterey Jail Project in a form substantially similar to the attached with such additions thereto and changes therein as are required by the Department of Corrections and Rehabilitation of the State of California ("Department") or the State Public Works Board of the State of California ("Board") as conditions to the issuance of the Bonds, and certain actions in connection therewith; and
- b. Authorize the Chair of the Board of Supervisors, County Administrative Officer and/or the Assistant County Administrative Officers to act as Authorized Signatories to execute the Facility Sublease in a form substantially similar to the attached and with such additions thereto and changes therein as are required by the Department or the Board as conditions to the issuance of the Bonds and execute necessary documents, certificates, and related actions.

RECOMMENDATION:

It is recommended that the Board of Supervisors adopt a resolution to:

- a. Authorize the execution and delivery of a Facility Sublease and ratification of all previous actions with respect to the Monterey Jail Project in a form substantially similar to the attached with such additions thereto and changes therein as are required by the Department of Corrections and Rehabilitation of the State of California ("Department") or the State Public Works Board of the State of California ("Board") as conditions to the issuance of the Bonds, and certain actions in connection therewith; and
- b. Authorize the Chair of the Board of Supervisors, County Administrative Officer and/or the Assistant County Administrative Officers to act as Authorized Signatories to execute the Facility Sublease in a form substantially similar to the attached and with such additions thereto and changes therein as are required by the Department or the Board as conditions to the issuance of the Bonds and execute necessary documents, certificates, and related actions.

SUMMARY:

Staff is requesting the Board of Supervisors adopt a resolution (**Attachment A**) to approve a Facility Sublease (Sublease) between the California Department of Corrections and Rehabilitation ("CDCR" or "Department") and the County of Monterey, authorizing the Monterey County Sheriff's Office (MCSO) to utilize the Jail Housing Addition (Facility), constructed under the AB 900 financing program.

DISCUSSION:

The Sublease agreement is required by the State as part of the AB 900 financing program. The action included with this report will authorize the Chair of the Board of Supervisors and/or the County Administrative Officer or Assistant County Administrative Officer(s) to act as Authorized Signatories to execute the Sublease in a form substantially similar to the attached draft Sublease (**Attachment B**) and with such additions thereto and changes therein as are required by the Department or the State Public Works Board of the State of California (Board) as conditions to the issuance of the Bonds. The State Department of Finance (DOF) intends to sell bonds for the Facility in April 2021, and the Sublease must be in place prior to that sale.

The Facility is constructed on property that was leased by the County to CDCR through Ground Lease and Easement Agreements (executed March 14, 2017). CDCR leased the property to the Board under a Site Lease. Once construction is complete, the Board will lease the Facility back to CDCR under a Facility Lease. Lease payments made to the Board under the Facility Lease will be used to repay the bonds. CDCR will enter into a Sublease with the County granting use of the facility to the Sheriff's Office. The proposed Sublease is the subject of this report.

The term of this Sublease matches the term of the Facility Lease and may not be terminated until the bonds are repaid. During the term, the Sublease requires the County to maintain general liability and auto insurance in an amount not less than one million dollars (\$1,000,000) per occurrence. The County is responsible for all Facility maintenance and repair and must maintain the Facility in good condition. Any improvements or additions to the Facility that trigger Board of State and Community Corrections (BSCC) review must also be approved by CDCR and the Board. The County must also submit an annual report to CDCR that summarizes the upcoming fiscal year Facility budget and operations.

OTHER AGENCY INVOLVEMENT:

The Office of the County Counsel-Risk Manager has reviewed and approved the Sublease as to form. State Water Resources Control Board and California State Fire Marshall inspections will continue as needed throughout the construction phase. Public Works, Facilities & Parks and the MCSO are working directly with DOF throughout the bond issuance process to provide necessary information and process documents as needed.

FINANCING:

CDCR is responsible for all rental costs and State master insurance program costs as defined in the Facility Lease between SPWB and CDCR. Article 6(b) of the Sublease requires the County to pay any other taxes or assessments charged against the Facility.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

The Project will provide a larger detention facility which is critically needed as the current high occupancy count exceeds the existing facility's capacity and assists the County with State-mandated milestones. The recommended action supports the Board of Supervisors Strategic Initiatives as indicated below:

- Economic Development
- Administration
- Health & Human Services
- Infrastructure
- Public Safety

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Reviewed by: Lindsay Lerable, Chief of Facilities

Shawne E. Ellerbee, Assistant Director of Public Works, Facilities and Parks

Approved by: Randell Ishii, MS, PE, TE, PTOE, Director of Public Works, Facilities and Parks

Attachments:

Attachment A - Resolution

Attachment B - Form of Facility Sublease

(Attachments on file with the Clerk of the Board)