



County of Monterey

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

Board Report

File #: A 16-080, **Version:** 1

Authorize the Chair of the Board of Supervisors to execute the following agreements with the State Public Works Board of the State of California, the Department of Corrections and Rehabilitation of the State of California, and the Board of State and Community Corrections of the State of California: Ground Lease; Easement Agreement for Grants of Access, Utilities and Repairs; and Right of Entry for Construction and Operation, in substantially the form attached, thereby allowing the Jail Housing Addition Project to proceed under the terms of AB 900 Jail Financing Program Phase II.

RECOMMENDATION:

It is recommended that the Board of Supervisors authorize the Chair of the Board of Supervisors to execute the following agreements with the State Public Works Board of the State of California, the Department of Corrections and Rehabilitation of the State of California, and the Board of State and Community Corrections of the State of California: (1) Ground Lease; (2) Easement Agreement for Grants of Access, Utilities and Repairs; and (3) Right of Entry for Construction and Operation with the State Public Works Board, the California Department of Corrections and Rehabilitation, and the Board of State and Community Corrections, in substantially the form attached, thereby allowing the Jail Housing Addition Project to proceed under the terms of AB 900 Jail Financing Program Phase II.

SUMMARY/DISCUSSION:

On July 9, 2013 the Board approved and authorized the Chair of the Board of Supervisors to execute the Project Delivery Construction Agreement No. A 13-158 (PCDA) with the Public Works Board of the State of California, the Department of Corrections and Rehabilitation of the State of California, and the Board of State and Community Corrections (BSCC) of the State of California (Att. 1). The PCDA includes the Ground Lease (Att. 2), Easement Agreement for Grants of Access, Utilities and Repairs (Att. 3), and Right of Entry for Construction and Operation Agreement (Att. 4). Approval of these three agreements listed above is required under the PDCA and necessary for the County to comply with the June 10, 2016 Milestone set by BSCC for the Project under the terms of AB 900 Jail Financing Program Phase II. The agreements to be executed by the Chair are substantially in the form attached, subject to minor revision by the State for such items as the final project description and the agreement's date of execution.

Purpose of the Agreements:

Ground Lease: The State of California requires a ground lease for the project Site from the County to assist the County in obtaining financing for the project. The State shall use the project Site as collateral for the sale of Lease Revenue Bonds to finance a portion of the project. This Ground Lease shall not terminate or expire until the Bonds have been paid in full or retired under the provisions of the Bond Documents.

Right of Entry: The State of California grants to the County, its employees, consultants, representatives and contractors a non-exclusive, temporary access to enter the Site for site analysis, Project construction-related activities, and for operation of the Project upon substantial completion of construction.

Access Easement Agreement: The County, as the owner of the Easement Property, grants access to and for the benefit of the State and their respective contractors, subcontractors, employees, lessees, licensees, permittees, successors and assigns a non-exclusive easement for purposes of ingress and egress to and from the Site and the

Project for installation, maintenance and replacement of utility wires, cables, conduits and pipes, and other purposes and uses necessary or desirable for the repair, operation and maintenance of the Facility.

The County is providing approximately \$8.9 Million in hard match and in-kind services and collateral in the form of a “free and clear site” as improved with the Jail Housing Addition Project. The County’s risk is essentially this collateral, which it would lose only if the State defaults on the payment of the bonds and resorts to the collateral where necessary to pay outstanding bonds.

OTHER AGENCY INVOLVEMENT:

RMA and the Office of the Sheriff are working jointly with BSCC to meet all State-mandated milestones to maintain the conditional award and move forward to the Construction phase.

FINANCING:

There is no additional impact to the General Fund resulting from the above actions. On July 9, 2013, the Board approved a financing plan, which included the Jail Housing Addition Project. In addition to the State grant of \$80 Million, the County has contributed \$8.9 Million from Fund 404 for a total project cost of \$88,900,000. The project is currently on schedule and on budget.

Prepared by: Donald D. Searle, Architectural Services Manager (831) 755-5061

Approved by: Benny J. Young, Interim Director of Public Works and Facilities

Approved by: Carl P. Holm, RMA Director

Dated: March 10, 2016

Attachments: Attachment 1: Board Order A 13-158 PDCA Execution Copy Agreement; Attachment 2: Ground Lease; Attachment 3) Easement Agreement for Grants of Access, Utilities, and Repairs; and Attachment 4) Right of Entry for Construction and Operation for the Jail Housing Addition Project; Attachment (Attachments on file with the Clerk of the Board)