

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

240



FROM: Economic Development Agency

SUBMITTAL DATE:
March 15, 2012

SUBJECT: Acceptance of \$100 Million AB 900 Funding Award from the Corrections Standards Authority

RECOMMENDED MOTION: That the Board of Supervisors:

1. Accept a funding award from the Corrections Standards Authority in the amount of \$100,000,000 from the 2011 Local Jail Construction Financing Program (AB900 – Phase II);
2. Approve and direct the Auditor-Controller to establish a special interest bearing fund for the 2011 Local Jail Construction Financing Program funds and have the funds administered by the Economic Development Agency (EDA); and
3. Authorize the use of up to \$10,000,000 of Development Impact Fee funds Countywide Public Facilities Fund 30501 for costs associated with the correctional system expansion;

(Continued)

Robert Field

Robert Field
Assistant County Executive Officer/EDA

FINANCIAL DATA

Current F.Y. Total Cost:	\$ 1,500,000	In Current Year Budget:	Yes
Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	No
Annual Net County Cost:	\$ 0	For Fiscal Year:	2011/12

COMPANION ITEM ON BOARD OF DIRECTORS AGENDA: No

SOURCE OF FUNDS: State Construction Grant and Capital Improvement Program and 30501 – DIF Countywide Public Facilities Fund

Positions To Be Deleted Per A-30	<input type="checkbox"/>
Requires 4/5 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION:

APPROVE

BY: *Jennifer L. Sargent*

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Benoit, seconded by Supervisor Tavaglione and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Buster, Tavaglione, Stone, Benoit and Ashley
 Nays: None
 Absent: None
 Date: March 27, 2012
 xc: EDA, Auditor, Sheriff, E.O.

Kecia Harper-Ihem
 Clerk of the Board
 By: *[Signature]*
 Deputy

Prev. Agn. Ref.: 3.11 of 12/06/11; 3.12 of 10/18/11

District: All

Agenda Number:

3.19

FISCAL PROCEDURES APPROVED
 PAUL ANGULO, CPA, AUDITOR-CONTROLLER
 BY: *[Signature]* 3/20/12
 SAMUEL WONG
 Departmental Concurrence
 FORM APPROVED
 COUNTY COUNSEL
 MAR 19 2012
[Signature]

Dept's Recomm.: Consent Policy
 Per Exec. Ofc.: Consent Policy

RECOMMENDED MOTION: (Continued)

4. Direct the Executive Office to transfer up to \$10,000,000 from Development Impact Fee funds (30501) to EDA/FM as needed, pursuant to contracts and billings received for the correctional system expansion; and
5. Authorize EDA and the Sheriff's Department to incur any relevant and necessary costs essential to commencing the expansion of the County's correctional system up to \$1,500,000, \$950,000 for EDA and \$550,000 for Sheriff's Department, to be reimbursed by the Countywide Public Facilities Fund 30501.

BACKGROUND:

On December 6, 2011, the Board of Supervisors adopted Resolution No. 2011-280 which contained the assurances and information required by the Corrections Standards Authority (CSA) for the County to proceed with submitting a formal application for funding under the 2011 Local Jail Construction Financing Program.

On January 11, 2012, the County submitted a formal application for funding to the CSA seeking the maximum construction funding amount for large counties in the amount of \$100,000,000.

On March 8, 2012, Riverside County received a conditional award from the CSA in the amount of \$100,000,000 for the construction of the correctional system expansion facilities within Riverside County. EDA and the Sheriff's Department plan to use this funding to expand the capacity of the correctional system by approximately 1,200 beds for a total of 1,603 beds, along with other necessary improvements such as a new kitchen, housing units, medical clinic, and a parking structure.

In order to fulfill the conditions of the funding awarded by the state and bring this project through design award, it is necessary for the project team, made up of representatives from EDA and the Sheriff's Department, to incur costs such as travel, project management, environmental document preparation, legal fees, real estate services, and miscellaneous consultant fees. These costs are allocated as \$950,000 for EDA and \$550,000 for Sheriff's Department to be reimbursed from Capital Improvement Program Fees.

FINANCIAL INFORMATION:

The total project cost is anticipated to be \$237,116,300; of this \$100,000,000 will be funded through the State Financing Program, with \$130,135,500 provided by the County as a cash match, and \$6,980,800 provided by the County as an in-kind match. \$3,100,000 of the in-kind match is already provided by the current fair market value of the proposed project site, which is county owned.

In the CSA AB900 Phase II Request for Applications issued October 7, 2011, after notification of intent to award for payments of state funds, the document states: "Payment will be made to counties in arrears (reimbursement) based on invoices/progress reports submitted to CSA on a pre-determined basis. Counties may choose monthly, bi-monthly or quarterly invoicing and reimbursement. This means counties will pay their respective contractors first and then submit reimbursement requests to CSA. These invoices to CSA are processed upon receipt, and then forwarded to the appropriate state agencies for payment. The typical turn-around time for payment

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FINANCIAL INFORMATION: (Continued)

to counties after submittal of an invoice is approximately 30 to 60 days. As such, counties should plan for needed cash flow to support the project given the reimbursement basis. Also, at such time as 95% of the state funds have been expended, the state will withhold the remaining 5% as security to be released to counties upon compliance with all state and county agreement provisions including: final construction inspection and approval by appropriate state and local officials; staffing and operating the facility within 90 days of construction completion; and state receipt and approval of the final audit report.”

EDA will return to the Board of Supervisors for approval of future agreements regarding this project and with any necessary budget adjustments in the quarterly report. The Development Impact Fee (DIF) program, which is governed under Ordinance 659.6, allows for the use of DIF funds for jail bed construction as identified on the Public Facilities Needs List to the Year 2010, in which the jail expansion is included.