



A Tradition of Stewardship
A Commitment to Service

Agenda Date: 10/15/2013
Agenda Placement: 9C
Set Time: 10:00 AM
Estimated Report Time: 10 Minutes

NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

TO: Board of Supervisors

FROM: Florin, Lawrance - Director
Housing and Intergovernmental Affairs

REPORT BY: Lawrance Florin, DIR HOUSING AND INTERGOVERNMENTAL AFFAIRS - 253-4621

SUBJECT: Option to Purchase the Property at 2300 Napa Valley Highway

RECOMMENDATION

County Executive Officer, Director of Housing and Intergovernmental Affairs and Director of Public Works request that the Board authorize the Chairman to enter into an Option Agreement and sign any subsequent documents with WHAL Properties, L.P., for the potential purchase of an approximately 27.11 acre parcel located at 2300 Napa Vallejo Highway, Napa, APN 046-370-021 as the site for the new jail project.

EXECUTIVE SUMMARY

The County has been considering demolition and expansion of the existing jail for several years to accommodate a growing inmate population, provide up-to-date security, and increase operating efficiency of the facility. In 2007, the County retained consultant Carter Global Lee to assist the County in developing an Adult Correctional System Master Plan.

In November 2012 the Board of Supervisors considered re-estimated jail population projections and possible alternatives for meeting future jail demand. At that meeting, the Board named an out-of-downtown location as the preferred alternative for a new jail facility. Staff identified two adjacent parcels, including the WHAL property under consideration today, approximately 2 miles south of the current jail location as possible sites for a new jail and began the Environmental Impact Report process to satisfy CEQA requirements. Today's action would authorize the Chairman to sign an option agreement for the property at 2300 Napa Vallejo Highway and provide staff with direction to move forward in completing an assessment of the suitability of the site including environmental investigations and real estate due diligence reports.

PROCEDURAL REQUIREMENTS

1. Staff report.
2. Public comments.

3. Motion, second, discussion and vote on the item.

FISCAL IMPACT

Is there a Fiscal Impact?	Yes
Is it currently budgeted?	Yes
Where is it budgeted?	The \$1,000 non-refundable option deposit is budgeted in Capital Improvement Program - Jail Replacement.
Is it Mandatory or Discretionary?	Discretionary
Discretionary Justification:	The item is discretionary in that the County is not required to enter into an option agreement to purchase a potential property for the new jail. However, the option allows the County the necessary time required to conduct a site suitability analysis while restricting the property owners from marketing the property to other potential buyers.
Is the general fund affected?	No
Future fiscal impact:	If applicable, staff would return to the Board with financing options for completing the purchase of the property.
Consequences if not approved:	The County would not have an option to purchase this property for the potential construction of a new jail facility.
Additional Information:	

ENVIRONMENTAL IMPACT

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California Code of Regulations 15378 (State CEQA Guidelines) and therefore CEQA is not applicable.

BACKGROUND AND DISCUSSION

The County has been considering demolition and expansion of the existing jail for several years to accommodate a growing inmate population, provide up-to-date security, and increase operating efficiency of the facility. In 2007, the County retained consultant Carter Global Lee to assist the County in developing an Adult Correctional System Master Plan.

At the November 13, 2012 meeting, the Board of Supervisors considered re-estimated jail population projections that took into account the County's experience with the first nine months of 2011 Public Safety Realignment. Realignment shifted responsibility to the counties for inmates with certain charges who had previously been sent to State prison and various programs and alternative custody options were implemented to help manage this shift. Staff presented three population projections that mirrored the approach taken when the County conducted its Adult

Correctional Facility Master Plan. Ultimately, the Board determined that the "Mid-Range" projection was most appropriate. This projection method assumed the County would continue to implement population management and recidivism reduction practices, like the Community Corrections Services Center, and that those practices would be effective in reducing recidivism. The Mid-Range projection yielded a total bed capacity requirement of 366 by 2025 and 398 by 2030.

At that meeting, the Board weighed the possibility of expanding the jail but keeping it at its current location adjacent to the Courthouse building or looking at other locations within close proximity but outside of the downtown core. Staff had previously identified possible options for a new jail location considering proximity and ease of access to downtown court facilities, as well as the size, zoning and current use of potential properties. These options included the two parcels adjacent to the Syar Mining operations along the Napa Vallejo property, one of which is under consideration for this option agreement. During the presentation, staff outlined several advantages to moving the jail out of the downtown including:

- Allowing the County to accommodate future growth. The uncertainty still surrounding Realignment 2011 and the possibility of additional phases of Realignment in the future require the County to think strategically about the type of facility that will be required in the long run. The possible capacity offered by the downtown site would possibly be met by 2030. The out-of-downtown site and the development of a jail with core facilities that can accommodate up to 526 inmates allows the County to ensure the significant capital investment of constructing a jail will provide sufficient facilities beyond just a 10-15 year horizon.
- The out-of-downtown site allows for the inclusion of substantial yard and recreational space which would be limited in the downtown site. Longer sentences as a result of Realignment has required jails to provide these types of facilities. The downtown location would not have the space available to provide sufficient outdoor yards.
- The out-of-downtown site could become a correctional services campus, potentially co-locating a staff secure residential facility, programming space and other service providers to help the inmates and probationers transition seamlessly back into the community with a lower risk of reoffending.
- The out-of-downtown site avoids the construction complexities associated with the Downtown site. Construction on the downtown site would need to be phased adding to the construction time period and would require the County to relocate a certain number of inmates either out of the County or to a temporary secure facility in the County.
- The construction of a new downtown jail would require the relocation of day reporting and other court service currently housed in the Downtown Jail.
- The existing Hall of Justice is structurally sound and of a design which could be easily renovated to accommodate other County offices.
- The out-of-downtown site was determined to be the least costly option for initial construction costs.

After considering the various elements of each proposal, the Board named "out-of-downtown" as the preferred alternative for a new jail and directed staff to use the updated Mid-range scenario 2025 projection for the total jail beds to be constructed (366 beds) but with central facilities built to accommodate a larger jail (526 beds) so that expansion can occur simply by adding housing units. After receiving that direction, staff began the environmental review process in earnest, refining the project objectives and scope to meet the Board's direction. A Draft Environmental Impact Report was prepared and released for public and agency comment. The comment period ran from August 16th through September 30, 2013. Staff and the County's EIR consultant are preparing responses to comments in the final EIR that will then be presented to the Board for certification and adoption of CEQA findings at a future meeting.

Option Agreement

Pursuant to the California Environmental Quality Act, the County cannot irrevocably commit to purchasing the Property prior to certification of the Final EIR. It is anticipated that the Final EIR will be certified in mid December or

early January 2014. In the meantime, however, CEQA does permit the County to enter into an option agreement which would allow the County to conduct its due diligence investigations, evaluate the feasibility of constructing the new jail at the site and consider all reasonable mitigation measures prior to making a commitment to purchase the Property.

The property that is the subject of this Option Agreement is a 27.11 acre site located at 2300 Napa Valley Highway. It is owned by Pcbp Properties a subsidiary of the Whal Company. The property has been used by the owners as a location for a building supply business. The proposed Option Agreement between the County and WHAL, if approved by the Board, would grant the County a five (5) month option period in which to: (1) conduct all inspections and evaluations needed to determine the suitability of the site; (2) complete processing and certification of the Final EIR; (3) determine if the County will need and can obtain pollution liability coverage; and (4) secure approval agreements from the City of Napa and Napa Sanitation District to extend water and wastewater services to the site and receive an Outside Services Agreement from LAFCO. The option would be secured by a \$1,000 non-refundable deposit which would be applied to the \$6,600,000 purchase price if the County elects to purchase the property.

The Option Agreement does not commit the County to acquiring the WHAL property and does not foreclose the County from considering other options or alternatives for the new jail. It merely ties up the property for a five (5) month period so that it cannot be sold to other interested parties while the County evaluates the suitability of the site for its needs.

Attached to the Option Agreement is the proposed Purchase and Sale Agreement with the terms of the transaction should the County go forward with the purchase. Pursuant to Government Code section 25350, prior to consummating the purchase, the Board must hold a public hearing regarding its intention to purchase the property. Depending on the results of the due diligence and the extent of public comments received on the Final EIR, staff anticipates that a public hearing regarding the Board's intention to purchase the property and authorization for the Chair to execute the Purchase and Sale Agreement would be held sometime in late November or December of this year.

The summary of acquisition terms is attached to this agenda item.

SUPPORTING DOCUMENTS

A . Summary of Terms

CEO Recommendation: Approve

Reviewed By: Molly Rattigan