



Agenda Date: 4/24/2007
Agenda Placement: 9A

NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

TO: Board of Supervisors
FROM: Britt Ferguson for Nancy Watt - County Executive Officer
County Executive Office
REPORT BY: Helene Franchi, Senior Management Analyst, 253-4820
SUBJECT: Court Facility Transfer

RECOMMENDATION

County Executive Officer, Auditor-Controller, Director of Public Works and County Counsel request approval of and authorization for the Auditor-Controller to sign and submit to the Administrative Office of the Courts (AOC) on behalf of the County the completed County Facilities Annual Payment form relating to transfer of Napa County court facilities to the State pursuant to SB 1732.

EXECUTIVE SUMMARY

As was reported to the Board in 2004, the Trial Court Facilities Act of 2002 (SB 1732) required the counties and the Administrative Office of the Courts (AOC) to work together to attempt to transfer court buildings to the State no later than June 30, 2007. SB 1732 also established a methodology for establishing the annual payment to the State which a county would need to make following transfer of a facility in lieu of having any future obligation to provide ongoing maintenance of the facility. Today's action will authorize the Auditor-Controller to sign and submit County Facilities Annual Payment forms (CFP) for each of the County's court buildings, the first step in court facility transfer negotiation process. The CFPs before the Board today include a total estimated annual payment of \$309,350. A final recommendation to, and decision by, the Board will come after the negotiation process with the AOC is complete.

The completed forms are available for review with the Clerk of the Board.

FISCAL IMPACT

Is there a Fiscal Impact? No

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 Trial Court Facilities Act of 2002 (SB 1732) sets forth procedures for the transfer of title or responsibility for court facilities from counties to the State pursuant to negotiated agreements between the counties and the Administrative Office of the Courts (AOC). Some of the guiding principles for the transition contained in SB 1732 include:

- | The transfers shall occur as expeditiously as possible and be completed by June 30, 2007;
- | The transfers shall be negotiated on a building-by-building basis between the State and the counties with negotiated agreements governing each facility;
- | Counties shall provide in-lieu funding for future facilities operation and maintenance costs based on historic funding patterns through a county facilities payment (CFP) to the State; and
- | Counties can retain title to certain facilities under certain circumstances, including the historic nature of the facility.

Currently, only a few buildings statewide have been transferred through the negotiation process outlined in SB 1732. Because many more are actually still in negotiation, SB 145 proposes to extend the completion date for transfer of buildings to December 31, 2008. This bill is currently on the Assembly floor. The bill does not preclude the counties or the AOC from beginning the negotiation process in the meantime.

As the Board knows, Napa County enjoys a unique partnership with its Court and the County and Court are committed to working together to provide services to the residents of Napa County. At its meeting in July of 2004, the Board directed staff to move forward with the process for possible transfer of the Juvenile Justice facility and the Criminal Court Building. However, it was decided at that time that County staff would return to the Board at a later date with recommendations on the Historic Courthouse once more information became available on issues such as seismic conditions and insurance liability.

Filing County Facilities Annual Payment (CFP) forms for each building with the Judicial Council is the first step in the transfer negotiation process as it sets the amount the County will have to pay to the State in perpetuity if the County decides to transfer title to each building. The CFPs before you today, prepared by County staff, include the following payments, for an estimated annual total of \$309,350:

- | Juvenile Justice court facility - \$ 1,814
- | Criminal Court Building - \$212,382
- | Historic Courthouse - \$ 95,154

Today's action authorizes the Auditor-Controller to sign and submit the completed CFP forms for each building. Once the forms have been filed and accepted by the Judicial Council, staff will begin contract negotiations and will return to the Board with recommendations. At this time, staff anticipates recommending the immediate transfer of title and responsibility for the Juvenile Justice court facility and transfer of responsibility-only for the Criminal Courts Building and the court-utilized portions of the Historic Courthouse, with an agreement for eventual transfer of title to the Criminal Court Building when the current bonded indebtedness has been paid. Staff is still evaluating issues related to the possible transfer of title to the Historic Courthouse. The completed CFP forms are available for review with the Clerk of the Board.

As indicated above, SB 1732 allows a county to retain title to court facilities under certain circumstances, including the historic nature of the facility. This may be important to Napa County because transferring title to the Historic Courthouse under the current laws could subject the County to significant and premature expense for seismic upgrades that exceed health and safety requirements and are not necessarily compatible with preserving the historic nature of the building. Actual transfer of title may also require the County to continue to maintain earthquake and liability insurance in excess of what would normally be required under the court facilities payment process.

CSAC has recently released a proposal through its Excess Insurance Authority (EIA) regarding how such future obligations might be handled if a county wishes to transfer title to facilities which do not currently meet the heightened seismic standards specified in SB 1732. The County's Risk Manager is reviewing the EIA proposal and will return to the Board with his comments. Whether the Board eventually opts to transfer title to the Historic Courthouse or to retain title and enter into a longterm joint responsibility agreement for this shared use building may be affected by the various proposed solutions to the earthquake and liability insurance cost issues which will be discussed with the Board at a later date. However, it is recommended that the CFP forms for the Historic Courthouse be filed at this time in order to "lock-in" the CFP numbers for this facility in the event the County eventually decides to pursue the full transfer option if the deadline is extended by SB 145.

SUPPORTING DOCUMENTS

None

CEO Recommendation: Approve

Reviewed By: Helene Franchi