



A Tradition of Stewardship
A Commitment to Service

Agenda Date: 4/8/2014
Agenda Placement: 9A
Set Time: 9:10 AM PUBLIC HEARING
Estimated Report Time: 45 Minutes

NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

TO: Board of Supervisors
FROM: David Morrison - Director
Planning, Building and Environmental Services
REPORT BY: David Morrison, Director, Planning, Building & Environmental Servi - (707) 253-4805
SUBJECT: County Jail Project - CEQA findings and property acquisition

RECOMMENDATION

Director of Planning, Building and Environmental Services, Director of Public Works and County Counsel request the following regarding the County Jail Project:

1. Hold a public hearing regarding the County's proposed purchase of approximately 27.11 acres of property located at 2300 Napa Vallejo Highway, Napa, California, APN 046-370-021 ("Pacific Coast Site Alternative") for approximately \$6,600,000 from WHAL Properties, L.P. ("WHAL"). After considering any public comment, close the public hearing; and
2. Adoption of a resolution (a) adopting findings, a statement of overriding considerations and rejecting alternatives pursuant to the California Environmental Quality Act ("CEQA"); (b) finding the proposal consistent with the County's General Plan; (c) adopting the Pacific Coast Site Alternative; (d) adopting the Mitigation Monitoring and Reporting Program; (e) approving and authorizing the Chairman to execute the option and sign the Purchase and Sale Agreement for the approximately 27.11 acres of property located at 2300 Napa Vallejo Highway, Napa, (APN 046-370-021); and (f) authorizing the County Executive Officer to sign any and all documents related to the Purchase and Sale Agreement as approved by County Counsel; and
3. Approval of Budget Transfer No. DPW007 appropriating \$6,700,000 in the Capital Improvement Fund-Jail Replacement Project with offsetting revenue from long term debt proceeds from the sale of 2014 Certificates of Participation approved by the Board of Supervisors on March 11, 2014 for the purchase of the WHAL Property and related escrow fees. (4/5 vote required)

EXECUTIVE SUMMARY

For many years, the County has been considering the demolition and expansion of the existing jail to accommodate a growing inmate population, provide up-to-date security, and increase operational efficiencies.

Meanwhile, two events have accelerated the need for more capacity: implementation of Assembly Bill (AB) 109 "Realignment" of California correctional system, which allows lower risk offenders to serve their sentence in County Jail instead of State prison; and the State budget challenge, which has resulted in lower funding for courts.

In May 2012, the County initiated the environmental review process required by CEQA, to analyze potential environmental impacts of constructing and operating a new jail facility on a 15 to 20 acre site in unincorporated Napa County at either the Pacific Coast parcel, the Boca parcel or expanding the existing downtown Napa site. A Notice of Preparation of an EIR was issued in January 2013, and a Draft EIR was disseminated for public and agency review in August 2013. On January 30, 2014, the Final EIR consisting of the Draft EIR, Responses to Comments and resulting changes to the text of the Draft EIR were made available to the public, County decision makers and responsible agencies in compliance with CEQA. On February 11, 2014, the County certified that the Final EIR was prepared in accordance with CEQA which completed the first step in the CEQA approval process. The actions requested today would complete the CEQA process and allow the County to go forward with its purchase of the Pacific Coast Site. More information about the CEQA documents, the Option Agreement and the Purchase and Sale Agreement, is included in the Background Section and the attached materials.

PROCEDURAL REQUIREMENTS

1. Open Public Hearing.
2. Staff reports.
3. Public comments.
4. Close Public Hearing.
5. Motion, second, discussion and vote on the requested actions.

FISCAL IMPACT

| | |
|-----------------------------------|--|
| Is there a Fiscal Impact? | Yes |
| Is it currently budgeted? | No |
| What is the revenue source? | The purchase will be funded by long term debt proceeds from the sale of 2014 Certificates of Participation approved by the Board of Supervisors on March 11, 2014. |
| Is it Mandatory or Discretionary? | Discretionary |
| Discretionary Justification: | The County has considered the demolition and/or expansion of the jail facility since at least 2004 to avoid significant overcrowding issues and provide space more conducive to modern day jail operations. Changes in State practice including AB 109 (Realignment) where lower risk offenders spend their sentences in local jails have expedited the need to expand or replace the facility. Today's action authorizes the purchase of the WHAL Property for \$6,600,000 (base price) plus required closing fees. The County was selected for funding in that amount of \$13,474,000 through the SB 1022 program to construct a Staff Secure Facility at this same property. The purchase must be completed by April 15, 2014 to maintain funding. If today's item is not approved, the County will need to select an alternative option for the jail replacement and will forfeit SB 1022 funding for a Staff Secure Facility. |
| Is the general fund affected? | Yes |
| Future fiscal impact: | The \$6,700,000 represents the maximum purchase price and closing costs of |

the property only. Final construction costs will be developed through the design phase of the process and funding discussions for both the Staff Secure Facility and Jail facility will be brought to the Board as separate discussion items.

Consequences if not approved: If today's item is not approved, the County will need to select an alternative option for the jail replacement project. The County will forfeit \$13,474,000 in SB 1022 funding for a Staff Secure Facility due to the deadline to close on the sale of the property by April 15, 2014.

Additional Information:

ENVIRONMENTAL IMPACT

A Final Environmental Impact Report ("FEIR") has been certified for the County Jail Project in compliance with CEQA, the State CEQA Guidelines, and local procedures for implementing CEQA.

BACKGROUND AND DISCUSSION

For many years, the County has been considering the demolition and expansion of the existing jail to accommodate a growing inmate population, provide up-to-date security, and increase operational efficiencies. Meanwhile, two events have accelerated the need for more capacity to avoid major overcrowding issues: implementation of Assembly Bill (AB) 109 "Realignment" of California correctional system, which allows lower risk offenders to serve their sentence in County Jail instead of State prison; and the State budget challenge, which has resulted in lower funding for courts.

In May 2012, the County initiated the environmental review process required by CEQA, to analyze potential environmental impacts of constructing and operating a new jail facility on a 15 to 20 acre site in unincorporated Napa County at either the Pacific Coast parcel, the Boca parcel or expanding the existing downtown site. A Notice of Preparation of an EIR was issued in January 2013, and a Draft EIR was disseminated for public and agency review in August 2013. On January 30, 2014, the Final EIR consisting of the Draft EIR, Responses to Comments and resulting changes to the text of the Draft EIR, were made available to the public, County decision makers and responsible agencies in compliance with CEQA. On February 11, 2014, the County certified that the Final EIR was prepared in accordance with CEQA which completed the first step in the CEQA approval process. The actions requested today will complete the CEQA process and allow the County to go forward with its purchase of the Pacific Coast Site.

A. Intention to Purchase Hearing:

Pursuant to Government Code Section 25350, the Board must hold a public hearing regarding its intention to purchase property prior to consummating the sale. Notice of today's hearing was published in the Napa Valley Register on March 18th, March 25th, and April 1st in accordance with the requirements of Government Code Sections 25350 and 6063. The first action before the Board today is to open the public hearing, solicit comments and then close the public hearing prior to adopting the resolution making the CEQA findings and authorizing the Chairman to exercise the option and execute the Purchase and Sale Agreement.

B. CEQA Findings:

Prior to approving a project for which an EIR has been prepared, there are two procedural steps that must be

satisfied under CEQA: (1) certification of the Final EIR; and (2) adoption of CEQA findings. On February 11th, the Board completed the first step when it adopted Resolution No. 2014-14 certifying that the Final EIR complied with CEQA, the State CEQA Guidelines and the County's local procedures for implementing CEQA. The second step which is before the Board today is adoption of a resolution making CEQA findings.

Mitigation Measures

When an EIR identifies significant environmental impacts that may result from a project, the lead agency must make one or more of the following specific findings: (1) that changes or alterations have been required or incorporated into the project that avoid or substantially lessen the significant environmental impact identified in the EIR; (2) such changes or alterations are within the responsibility and jurisdiction of another public agency that has adopted, or can and should adopt, such changes; or (3) specific economic, social, legal, technological, or other considerations make infeasible the mitigation measures or project alternatives identified in the EIR. (CEQA Guidelines Section 15091(a).)

Section 7 of the proposed Resolution before the Board identifies each potentially significant impact resulting from implementation of the Pacific Coast Alternative and makes one of the findings discussed above.

Project Alternatives

If the project will result in significant environmental impacts that will not be avoided or substantially lessened by mitigation measures, the lead agency must consider the environmentally superior alternatives identified in the EIR and find that they are infeasible before approving the project. (CEQA Guidelines Section 15091 (a)(3).)

The EIR identified the Mitigated Design Alternative as the environmentally superior alternative because it would incrementally lessen the project's significant and unavoidable impact related to greenhouse gas emissions and transportation and traffic although it would not reduce these impacts to a less than significant level. Section 10 of the proposed Resolution finds the Mitigated Design Alternative infeasible, less desirable than the Pacific Coast Site Alternative and rejects it because it would not fully satisfy the County's stated project objectives to meet future facility needs by providing the potential for up to 526 beds. The Mitigated Design Alternative would only increase the inmate capacity from 277 beds to 366 beds, leaving the need for an additional 160 beds, and is infeasible for all the other reasons set forth in the attached memorandums from Steve Lederer, Director of Public Works and Liz Habkirk, Principal Management Analyst. The Resolution sets forth similar rationale for rejecting the No Project, Mitigated Design and Boca Site Alternatives.

Statement of Overriding Considerations

When an agency approves a project with significant environmental effects that will not be avoided or substantially reduced, it must adopt a statement that because of the project's overriding benefits, it is approving the project despite its environmental harm. This is what is commonly referred to as a Statement of Overriding Considerations. (CEQA Guidelines Section 15043.)

The EIR identified the generation of greenhouse gas emissions, and two traffic intersection impacts as significant and unavoidable. While it is possible to construct intersection improvements that would eliminate unacceptable conditions, the timing of such improvements is unknown because they are not within the County's control. Therefore, the EIR conservatively identified these impacts as significant and unavoidable. Section 11 of the proposed Resolution sets forth the required Statement of Overriding Considerations and benefits associated with implementation of the Pacific Coast Site Alternative.

C. Purchase and Sale Agreement:

The action before the Board today would authorize the Chairman of the Board to sign a Purchase and Sale Agreement ("PSA") with WHAL Properties, L.P. for the Pacific Coast Site for \$6,600,000. A summary of the terms and conditions of the PSA is attached and incorporated here by reference. Pursuant to the terms of the SB 1022 grant award from the Board of State and Community Corrections, the County must possess ownership of a suitable jail site on or before April 15, 2014 to avoid forfeiture of the grant award of \$13,474,000. Execution of the PSA will allow the County to close escrow and have ownership of the site prior to the April 15th deadline. In October 2013, the County entered into an Option Agreement with WHAL for purchase of the Pacific Coast Site subject to completion of due diligence investigations and the CEQA process. During the option period, the County and its consultants reviewed and evaluated all aspects of the site, records related to the site, the historical uses and operations at the site to determine whether the site is ultimately suitable for, and satisfactorily meets, the County's needs. The County's consultant (Arcadis) prepared a Phase 1 and Phase II Report which concluded that minor environmental surface contamination, consistent with what would be expected on an industrial site such as the Pacific Coast Site, is present. They further concluded that this minor contamination would not impact the County's ability to develop the site or the health and safety of future occupants or the environment.

D. LAFCO Approvals

The Pacific Coast Site is located outside of the City of Napa's water service area and outside of the Napa Sanitation District's ("NSD") wastewater service area and therefore LAFCO approval of an annexation or an outside service agreement extension is needed for the City and NSD to serve the site.

On March 4, 2014, the Napa City Council authorized an application to LAFCO to change the sphere of influence to include the Pacific Coast site. LAFCO is expected to approve the request for a sphere amendment change at its meeting on April 7th. NSD has also provided a "will serve" letter, agreeing to provide sewer service to the site pending LAFCO approval, which is also expected to be on the April 7, 2014 LAFCO agenda.

Because of agenda deadlines, staff will provide the Board with a verbal update as to LAFCO's final action as part of the staff's presentation of this item on April 8, 2014.

E. General Plan Consistency Analysis

Pursuant to Government Code Section 65401, an analysis of the Pacific Coast Site's consistency with the Napa County General Plan is attached and incorporated here by reference.

Staff recommends that the Board adopt the proposed Resolution.

SUPPORTING DOCUMENTS

- A . CEQA Findings Resolution
- B . Summary of PSA
- C . Memo from Steve Lederer
- D . Memo from Liz Habkirk
- E . CEO Memo - Revised Jail Projections and Site Alts
- F . CalTrans Letter and Response
- G . GP Consistency Memo

CEO Recommendation: Approve

Reviewed By: Molly Rattigan