



# Mendocino County

## Legislation Text

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File #: 21-0197, Version: 1

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**To:** Board of Supervisors

**From:** Executive Office and County Counsel

**Meeting Date:** February 9, 2021

**Department Contact:** Steve Dunncliff

**Phone:** 463-4441

**Department Contact:** Matthew Kiedrowski

**Phone:** 234-6885

**Department Contact:** Lloyd Weer

**Phone:** 234-6060

**Item Type:** Consent Agenda

**Time Allocated for Item:** N/A

**Agenda Title:**

Adoption of Resolutions of (1) the County of Mendocino and (2) the Mendocino County Public Facilities Corporation Approving, Authorizing and Directing the Execution and Delivery of an Amendment to a Site Lease, an Amendment to a Facility Lease and an Amendment to an Assignment Agreement in Connection with the Removal of a Portion of the Existing Leased Property and the Execution and Delivery of Easements Across County Property with Respect to the County of Mendocino Refunding Certificates of Participation 2012 Series A and 2012 Series B (Federally Taxable) and the SB844 Project and Authorizing and Approving Other Actions and Matters Related Thereto

**Recommended Action/Motion:**

Adopt Resolutions of (1) the County of Mendocino and (2) the Mendocino County Public Facilities Corporation Approving, authorizing and directing the execution and delivery of an amendment to a site lease, an amendment to a facility lease and an amendment to an assignment agreement in connection with the removal of a portion of the existing leased property and the execution and delivery of easements across County property with respect to the County of Mendocino refunding Certificates of Participation 2012 Series A and 2012 Series B (Federally Taxable) and the SB844 Project and authorizing and approving other actions and matters related thereto; and authorize Chair to sign same.

**Previous Board/Board Committee Actions:**

In 2012, the County issued Refunding Certificates of Participation which refunded 2000 and 2002 Series Certificates of Participation that had funded the construction of capital assets. On February 7, 2017, Resolution 17-019 authorized submittal of a proposal for funding through the Adult Local Criminal Justice Facilities Construction Financing Program (Senate Bill 844) for additional specialty housing and expanded program, training, and mental healthcare space at the County jail and authorized an appropriation for the local match portion of the project of approximately \$1.047 million. The County's proposal was ultimately successful in securing \$25 million in state reimbursement. On December 19, 2017, an agreement was approved with Nacht & Lewis, in the amount of \$2.901 million, for architectural services related to this project. On April 24, 2018, a modification to the project location was approved with a local match increase of approximately \$1,000,000. FY 19-20 budget included an additional \$500,000 appropriation to increase the local match to this project, the total cost of which is approximately \$27,547,000. On October 1, 2019, the Board approved a

Construction Management Contract Award to Vanir and requested additional information regarding insulation and mechanical systems in the new building. The Board requested an energy assessment of this new facility, and decided to utilize electric heat pumps with increased expense as a carbon reduction strategy.

**Summary of Request:**

In connection with the 2012 Refunding Certificates of Participation (“Certificates”) the County entered into a lease and leaseback with the Mendocino County Public Facilities Corporation (the “Corporation”) of certain County real property and improvements (namely, the properties that make up the County Administration Center; the “Leased Property”) and certain rights, including lease payments, were assigned to the Trustee, U.S. National Bank, to secure the payment of the Certificates. The area currently encumbered by the leases is shown on the attachment titled Exhibit 1.

As part of the requirements for the financing and construction of the new jail facility pursuant to SB 844 (the “SB 844 Project”), the State requires that the property on which the new facility will be constructed be released from the leases related to the Certificates. Staff has worked with outside counsel on preparing documents to accomplish the removal of the site for the SB 844 Project and certain additional property from the Leased Property under the leases related to the Certificates. The area to be released from the Leased Property is shown on the attachment titled Exhibit 2 in green, as well as the area labeled “Easement Area 3”.

This item includes resolutions of both the Board and the Corporation authorizing the execution of certain documents, including draft forms of amendments to the Site Lease, Facility Lease and the Assignment Agreement related to the Certificates, as well as the form of certificate to be executed by the County Auditor related to the removal of the SB 844 Project site and nearby property from the Leased Property under the leases related to the Certificates. The resolutions provide staff the authorization to make necessary or desirable changes to the documents following the adoption of the resolutions in order to accomplish the removal of the SB 844 Project site and nearby property from the Leased Property under the leases related to the Certificates.

This action also authorizes the execution and delivery of certain easements across the Leased Property under the leases related to the Certificates, in particular the County Administrative Center property. The attachment labeled Exhibit 3 includes a map showing the various easements. Easement areas 1 through 5 will provide access to the State to certain utilities (including a storm drain and a fire water access) on the Leased Property under the leases related to the Certificates, and access across property to be released from the Leased Property for access to the SB 844 Project Site. Easement area 3 includes both parking spaces and certain utilities, and easements are intended to be granted both to the Trustee of the Certificates and to the State for the SB 844 Project to provide access for these purposes. Lastly, the County proposes to grant two (2) easements to the City of Ukiah across the Leased Property under the leases related to the Certificates, one for a main parallel to Low Gap Road, and the second for a lateral that serves the County property. The easements over areas 1, 2 and the easements to the City of Ukiah will be considered Permitted Encumbrances under the leases related to the Certificates.

Government Code section 25526.6 authorizes the Board to grant or convey interests in County real property, including easements, upon a finding by the Board that the conveyance is in the public interest and that the interest in land conveyed will not substantially conflict with or interfere with the use of the property by the County. On January 5, 2021, the Board made these findings for the easements to be offered to the City of Ukiah. The granting of the easements to the State of California are in the public interest and will not substantially conflict or interfere with the County’s use of the property because these easements will enable the further development of the County’s property for County purposes, namely the new jail facility that is the SB 844 Project.

**Alternative Action/Motion:**

Do not adopt resolutions; provide direction to staff.

**Supervisory District:** All

**vote requirement:** Majority

**Supplemental Information Available Online At:** N/A

**Fiscal Details:**

**source of funding:** BU 1712

**current f/y cost:** N/A

**annual recurring cost:** N/A

**budget clarification:** N/A

**budgeted in current f/y:** Yes

**if no, please describe:**

**revenue agreement:** No

**Agreement/Resolution/Ordinance Approved by County Counsel:** Yes

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**CEO Liaison:** Executive Office

**CEO Review:** Yes

**CEO Comments:**

**FOR COB USE ONLY**

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**Executed By:** Atlas Pearson, Deputy Clerk I

**Date:** February 9, 2021

**Final Status:** **Adopted**

**Executed Item Type:** **Resolution** Number: 21-013 and **Resolution** Number: 21-015

