



CITY OF SACRAMENTO
CALIFORNIA

OFFICE OF THE
CITY MANAGER

July 15, 1981

CITY HALL
915 I STREET - 95814
(916) 449-5704

City Council
Sacramento, California

Honorable Members in Session:

SUBJECT: New County Jail Financing

SUMMARY

On June 29, 1981 a letter was received from Illa Collin, Chairperson, Sacramento County Board of Supervisors, requesting that your Council authorize the City Attorney and City Manager to meet with County staff regarding formation of a City/County Joint Powers Authority to facilitate financing and construction of a new County jail. This report recommends that you grant the request.

BACKGROUND

The County of Sacramento retained the law firm of Orrick, Herrington & Sutcliffe to devise the best means to finance, through bonds, the development of a new jail. The firm has made its first report which recommends the formation of a County/City Joint Powers Authority to issue bonds, build the jail, and lease it back to the County.

In order to proceed further, City staff must be authorized to meet with and review the work of consulting Bond Counsel and County staff. Orrick, Herrington & Sutcliffe will have a draft Joint Powers Authority agreement in hand for review within the next two weeks.

FINANCIAL DATA

The financing plan, in its current form calls for no financial participation by the City other than a continuation of the present system whereby the City pays the County a per diem fee for holding persons arrested and convicted for violations of the City Code. Since 1975, these costs have ranged from \$5,807 per year to \$24,500 per year.

With or without City contribution to the project, the City is needed as a member of the Joint Powers Authority to satisfy technical legal requirements for the issuance of bonds.

APPROVED
BY THE CITY COUNCIL

JUL 21 1981

OFFICE OF THE
CITY CLERK

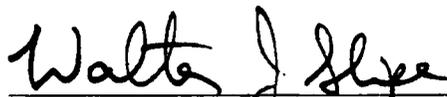
RECOMMENDATION

It is recommended that the City Council authorize City staff to meet with County staff and Bond Counsel to review specifics of the JPA agreement and report progress back to the City Council as such progress may occur.

Respectfully submitted,


Mac Mailles
Assistant City Manager
for Community Development

Recommendation Approved:


Walter J. Slipe, City Manager

cc: James Jackson
Illa Collin
Brian Richter

Attachment: Illa Collin's Letter

July 21, 1981



**BOARD OF SUPERVISORS
COUNTY OF SACRAMENTO**

700 H STREET SUITE 2450 • SACRAMENTO, CA 95814

**RECEIVED
OFFICE OF THE MAYOR**

JUN 29 1981

AM PM
7|8|9|10|11|12|1|2|3|4|5|6

CITY MANAGER'S OFFICE
RECEIVED
JUN 30 1981

ILLA COLLIN
SUPERVISOR SECOND DISTRICT
(916) 440-5481

June 16, 1981

Honorable Mayor Phillip L. Isenberg and
Members of the Sacramento City Council
City Hall
915 I Street
Sacramento, CA 95814

Mayor and Members of the Sacramento City Council:

On behalf of the Board of Supervisors of Sacramento County I am writing to request your assistance in the development of a financing plan for a new main jail facility which would benefit both Sacramento County and the City of Sacramento. As you are aware the existing jail is overcrowded and does not meet the 1980 California Minimum Jail Standards. We are being sued by the Federal Defender and others as a result of the problems with our jail and we are currently attempting to reach a consent decree with the Federal Defender's Office which will require us to make some interim improvements in our existing jail facilities and will require us to proceed to plan and construct a new main jail facility as soon as possible.

In December, 1980, the County contracted with the firm of Stone & Youngberg Municipal Financing Consultants, to review various methods of financing a new Main Jail facility. These consultants have recommended the formation of a joint powers authority (JPA) between the County and the City of Sacramento as the most feasible method of selling bonds to finance a new main jail facility. The consultants believe that a JPA could be developed which would satisfy the legal requirements and at the same time limit any fiscal liability of the City for the jail facility.

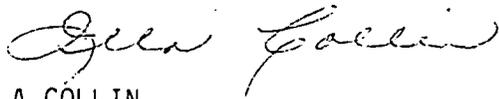
The financing consultants recommend that the City Manager and City Attorney be authorized to meet with the County Executive, County Counsel and an independent bond counsel to develop the legal authority and basis for such a JPA. Sacramento County will be contracting with the firm of Orrick, Herrington and Sutcliff to provide independent bond counsel services for the development of a viable financing plan for a new main jail facility.

Honorable Members of the
Sacramento City Council:
Page 2

It is therefore requested that you authorize your City Manager and City Attorney to meet with County staff and bond counsel to review this proposal and report their findings to you as soon as possible.

Our jail situation is extremely critical and the County Board of Supervisors feel that we must continue to attempt to resolve this problem as rapidly as possible. Your assistance in this matter will be greatly appreciated.

Yours sincerely,



ILLA COLLIN
Chairperson

cc: County Executive
County Counsel

(ID-A11)