

**EL DORADO COUNTY CALIFORNIA**  
*Chief Administrative Office*

April 4, 2007

Memo To: Board of Supervisors

From: Laura S. Gill, Chief Administrative Officer

Subject: Projected Target Dates for Placerville Jail Expansion and Sheriff's Administration Center

At its meeting of March 28, 2007, the Board of Supervisors directed the Chief Administrative Officer to return on April 10, 2007 with a calendar showing target dates for the Placerville Jail expansion and the new Sheriff's Administration Center. The Board provided this direction in response to concerns about the ability of the County to spend tobacco settlement securitization revenues within three years of issuance.

The following schedules show the target dates for beginning and completing major milestones for the subject projects, noting that the targets are aggressive but achievable:

**Placerville Jail Expansion - Phases I/II**

	<u># months</u>	<u>Start By</u>	<u>Complete by</u>
Evaluation of Program Needs	2	01-Apr-07	31-May-07
CEQA EIR Activities	8	01-Apr-07	31-Dec-07
Design	8	01-Jun-07	31-Jan-08
Bid Activity	2	01-Feb-08	31-Mar-08
Construction	18	01-Apr-08	30-Sep-09
Total # months	30		

**Placerville Jail Expansion – Phase III**

	<u># months</u>	<u>Start By</u>	<u>Complete by</u>
Evaluation of Program Needs	2	01-Apr-07	31-May-07
CEQA EIR Activities	8	01-Apr-07	31-Dec-07
Design	8	01-Jun-07	31-Jan-08
Bid Activity	2	01-Feb-08	31-Mar-08
Construction	24	01-Apr-08	30-Sep-09
Total # months	30		

### Sheriff's Administration Building

	# months	Start By	Complete by
Architect Selection	3	01-Apr-07	30-Jun-07
CEQA EIR Activities	8	01-Apr-07	31-Dec-07
Design	12	01-Jul-07	31-Aug-08
Bid Activity	2	01-Sep-08	31-Oct-08
Construction	24	01-Nov-08	31-Oct-10
 Total # months	 43		

### Road Improvements

	# months	Start By	Complete by
Design	6	01-Nov-08	30-Apr-09
Bid Activity	2	01-May-09	30-Jun-09
Construction	13	01-Jul-09	31-Jul-10
 Total # months	 21		

The project schedules were developed in order to make preliminary cash flow estimates for use in preparing the Preliminary Capital Improvement Plan (CIP), which was presented to the Board in February 2007. We have refined both the project schedules and preliminary cash flow analysis since the CIP presentation. The cash flow estimates assume that all program evaluation, CEQA analysis, and design costs are eligible for funding through tobacco settlement securitization revenues. The chart below summarizes anticipated expenditures and funding sources:

### Summary of Anticipated Expenditures and Revenue Sources for Sheriff Projects (in Thousands)

FY	Capital Projects					Funding Sources	
	Jail - 1/2	Jail - 3	Admin	Road	Total	TSS	PAYG
2007	\$ 140.0	\$ 210.0	\$ 120.0	\$ -	\$ 470.0	\$ 470.0	\$ -
2008	1,776.0	2,664.0	2,468.6	-	6,908.6	6,908.6	-
2009	5,070.0	7,605.0	6,363.4	125.0	19,163.4	19,163.4	-
2010	1,014.0	1,521.0	13,068.0	2,268.8	17,871.8	6,742.0	11,129.8
2011	-	-	1,980.0	106.3	2,086.3	-	2,086.3
<b>Total</b>	<b>\$8,000.0</b>	<b>\$12,000.0</b>	<b>\$24,000.0</b>	<b>\$2,500.0</b>	<b>\$ 46,500.0</b>	<b>\$33,284.0</b>	<b>\$13,216.1</b>

The County's securitized revenue is subject to Internal Revenue Service regulations regarding bond proceeds. Such proceeds must be spent within three years of issuance, or the interest earned on the proceeds is subject to federal tax. Staff has run a cash flow

analysis of the two major Sheriff's Department capital projects that indicates that the proceeds should be spent by October 31, 2010, or 31 months from April 1, 2007.

Also, please note the following caveats concerning the estimate of revenue from Tobacco Settlement Securitization:

- The current estimate of \$33.3 million excludes the 10% of tobacco settlement revenue that is allocated for health-related purposes.
- The current estimate reflects market conditions in February 2007. Market conditions at the time the transaction occurs will dictate the actual amount of securitization proceeds.
- The current estimate assumes participation by four other counties that assume a share of securitization transaction costs.

During the time that the County uses its securitized revenue, General Fund resources will continue to be placed into a reserve for capital projects. By FY 2009-10, that reserve will have \$13.2 million available to complete the Sheriff's Administration Building and road improvements.

I remain available to answer any questions you may have concerning this project timeline.