DEPARTMENT: County Counsel            BY: Jeffrey G. Green            PHONE: 966-3625

JAIL PLANNING STEERING COMMITTEE

RECOMMENDED ACTION AND JUSTIFICATION: (Policy Item: Yes__ No_X)

Recommendation approving the opening of an escrow, at a title company to be mutually selected by the seller and the County, with a $25,000 non-refundable deposit for the purchase of real property from William and Cathleen Freeman for the new Adult Detention facility site. Further authorize the Auditor to draw a warrant from the Jail Expansion Remodel fund in the amount of $25,000. Justification for commencing acquisition of the property at this time is outlined in the attached correspondence from the Jail Committee.

BACKGROUND AND HISTORY OF BOARD ACTIONS:

On March 16, 1993, the Board established a hearing date of April 13, 1993 for the purchase of real property from William and Cathleen Freeman as the site for the new Adult Detention facility.

On April 13, 1993, the Board authorized the opening of an escrow for the purchase of the Freeman property, contingent upon the Board making the final decision to purchase said property upon certification of the Environmental Impact Report.

LIST ALTERNATIVES AND CONSEQUENCES OF NEGATIVE ACTION:

Do not approve this Resolution. A new location would have to be found, however, the risk of losing State grant monies is great.

COSTS:

A. Budgeted current FY
B. Total anticipated costs
C. Required additional funding
D. Internal transfers

SOURCE:

A. Unanticipated revenues
B. Reserve for contingencies
C. Source description: Balance in Reserve for Contingencies, if approved

SPECIAL INSTRUCTIONS:
List the attachments and number the pages consecutively:
Jail Committee Memo to BOS of 6/2/93

ADMINISTRATIVE OFFICER’S RECOMMENDATION:
This item on agenda as:

Recommended Not Recommended
Not Submitted for Policy Determination Submitted with Comment
Returned for Further Action

Comment:

A.O. Initials: WP

Action Form Revised 5/92
June 2, 1993

TO:       Board of Supervisors
FROM:     Jail Planning Steering Committee
RE:       Jail Site Acquisition

Dear Board Members:

On May 18, 1993, County Counsel received a letter from the owner of the proposed jail site requesting that escrow be opened relative to the purchase of that portion of the jail site which is not being donated by the owner. A copy of that letter is attached hereto. You can see from reviewing the letter, the final certification of the Environmental Impact Report has slipped from when the County originally expected to finalize the land site acquisition. As a result of that slippage, the owner has identified some tax consequences and, therefore, is requesting some assurance that the acquisition will in fact occur.

The draft Environmental Impact Report has been prepared and has been reviewed by this Committee and the Planning Director. According to the draft EIR, there are no significant environmental issues relative to the site which cannot be mitigated. The Jail Committee, including the Planning Director, unanimously agree with this analysis.

As the Board will recall, the primary contingency placed upon the acquisition of the jail site by the Board of Supervisors has been a certified Environmental Impact Report. The committee is now convinced that the environmental aspects of the site will not pose a problem. Rather than risk losing the availability of this site we are, therefore, recommending that the Board of Supervisors approve opening an escrow with a $25,000 non-refundable deposit, as requested by the owner.

Very truly yours,

Roger Matlock, Sheriff
For the Jail Planning Steering Committee
Mr. Jeffrey G. Green  
MARIPOSA COUNTY COUNSEL  
P.O. Box 189  
Mariposa, Ca. 95338  

Dear Jeff:  

As you are aware, it was always our understanding the sale of our land to the county would take place in the early part of this year. Accordingly, we did our tax planning on that basis. Income taxes paid by us over the past 12 months amounted to $217,863.00. (I've enclosed copies of those checks.)  

To help meet these tax deadlines we advanced monies from my corporation to me. Our corporate fiscal year ends June 30th. If we do not repay those advances to the corporation prior to fiscal year end they will change from being an advance to me and instead will be considered income to me. That will create a greater tax burden along with an additional tax of around $15,000.00 as self employment social security tax. As it stands now I haven't taken a salary from my corporation in years and I don't choose to start now.  

To mitigate this problem, if we have the assurance the county is going to consummate the purchase of this property by August 15, 1993 we will borrow these funds against existing credit lines we have and repay the corporation. From the standpoint of either side, mine or the county, it would be best if they put up a $25,000.00 non-refundable deposit prior to June 15, 1993 to provide us with this assurance. As it stands now there is no binding agreement on either side to either buy or sell. If I dropped dead next week the county would have no agreement and would be out a lot of effort and the loss of the State grant for the new jail. It just doesn't seem like good business to me.  

Please let me know what the board's decision is so that we may proceed with our tax planning. If you have any questions, please feel free to give me a call.  

Very truly yours,  

Bill Freeman  

BF/f  
encls:
BILL FREEMAN
PERSONAL ACCOUNT
P. O. BOX 3038  408-646-0239
MONTEREY, CA 93942

YOSEMITE BANK
5171 Hwy. 49 North
Mariposa, CA 95338

CHECK NO.  DATE      AMOUNT
3124          4/14-92   $ 63,881.00

PAY

***SIXTY THREE THOUSAND EIGHT HUNDRED EIGHTY ONE AND NO/100***

TO THE ORDER OF

INTERNAL REVENUE SERVICE

366-34-4664

BILL FREEMAN

PAY

***TWENTY TWO THOUSAND FIFTY AND NO/100***

TO THE ORDER OF

FRANCHISE TAX BOARD

366-34-4664

BILL FREEMAN

PAY

***TWENTY FOUR THOUSAND NINE HUNDRED THIRTY ONE AND NO/100***

TO THE ORDER OF

INTERNAL REVENUE SERVICE

366-34-4664

BILL FREEMAN

PAY

***EIGHT THOUSAND FIFTY TWO AND NO/100***

TO THE ORDER OF

FRANCHISE TAX BOARD

366-34-4664
**Bill Freeman**
PERSONAL ACCOUNT
P. O. BOX 3038 408-646-0239
MONTEREY, CA 93942

**Yosemite Bank**
5171 Hwy. 49 North
Mariposa, CA 95338

CHECK NO.  DATE       AMOUNT
6-11-92          $8,052.00

**PAY**

**EIGHT THOUSAND FIFTY TWO AND NO/100***

**TO THE ORDER OF**

FRANCHISE TAX BOARD

SS# 366-34-4664

Bill Freeman

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**Bill Freeman**
PERSONAL ACCOUNT
P. O. BOX 3038 408-646-0239
MONTEREY, CA 93942

**Yosemite Bank**
5171 Hwy. 49 North
Mariposa, CA 95338

CHECK NO.  DATE       AMOUNT
6-11-92          $24,931.00

**PAY**

**TWENTY FOUR THOUSAND NINE HUNDRED THIRTY ONE AND NO/100***

**TO THE ORDER OF**

INTERNAL REVENUE SERVICE

SS# 366-34-4664

Bill Freeman
BILL FREEMAN
PERSONAL ACCOUNT
P. O. BOX 3038  408-646-0239
MONTEREY, CA  93942

YOSEMITE BANK
5171 Hwy. 48 North
MARIPOSA, CA 95338

****TWENTY FOUR THOUSAND NINE HUNDRED THIRTY ONE AND NO/100****

PAY

INTERNAL REVENUE SERVICE

9-15-92  $ 24,931.00

9/15/92 Estimate
SS# 366-34-4664

STamped

Bill Freeman

BILL FREEMAN
PERSONAL ACCOUNT
P. O. BOX 3038  408-646-0239
MONTEREY, CA  93942

YOSEMITE BANK
5171 Hwy. 48 North
MARIPOSA, CA 95338

****EIGHT THOUSAND FIFTY TWO AND NO/100****

PAY

FRANCHISE TAX BOARD

9-15-92  $ 8,052.00

9/15/92 Estimate
SS# 366-34-4664

Stamp

Bill Freeman
PAY

1

DATE

AMOUNT

1-14-93

$ 8,052.00

FRANCHISE TAX BOARD

366-34-4664

Bill Freeman

PAY

1

DATE

AMOUNT

1-14-93

$ 24,931.00

INTERNAL REVENUE SERVICE

366-34-4664

Bill Freeman