



Albemarle County

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Date	Ver.	Action By	Action	Result
6/3/2015	1	Board of Supervisors	approved	

AGENDA DATE: 6/3/2015

TITLE:

Lewis & Clark Exploratory Center Loan Extension

SUBJECT/PROPOSAL/REQUEST: Approve fourth loan extension for Lewis & Clark Exploratory Center

ITEM TYPE: Consent Action Item

STAFF CONTACT(S): Foley, Letteri, Davis, Kamptner and Henry

PRESENTER (S): N/A

LEGAL REVIEW: Yes

REVIEWED BY: Thomas C. Foley

BACKGROUND: The Lewis & Clark Exploratory Center ("LCEC") leases property jointly owned by the County of Albemarle and the City of Charlottesville located at Darden Towe Park for the purpose of establishing the Lewis & Clark Exploratory Center. The LCEC was awarded grants totaling \$800,000.00 from the Transportation Enhancement Fund Program ("VDOT Enhancement Program") administered by the Virginia Department of Transportation ("VDOT") to provide funding (to be combined with other funds to be raised by the LCEC) for the construction of an educational building, an access road and parking area, and a connecting trail network at Darden Towe Park. The LCEC's application for the VDOT Enhancement Program required the County to be responsible for accepting the grant from VDOT. The County was required to enter into a Project Agreement with VDOT to ensure VDOT's requirements for funding eligibility were met. The County then entered into a separate Pass-Through Agreement with LCEC that, in turn, passed along all of the County's responsibilities under the VDOT Enhancement Program to the LCEC, including holding the County harmless from any liabilities created by the County's acceptance of the VDOT Enhancement Program grants.

The LCEC advised the County that its fund-raising efforts had fallen short of its goal and by letter dated March 19, 2013, requested that the County and the City provide funding assistance in the form of a short-term loan to

ensure the project would be completed and all requirements related to the enhancement grant would be met. The total shortfall was estimated at \$260,000. In order to assist the LCEC and ensure that the grant requirements would be met, the Board, at its April 3, 2013 meeting, approved an appropriation of \$130,000 to the Economic Development Authority (EDA) for the purpose of the EDA providing a short-term loan to the LCEC. The City of Charlottesville contributed the other \$130,000 required to make up the \$260,000 shortfall. The EDA loan agreement and note were executed on April 17, 2013, and pursuant to the loan agreement and note terms and conditions, the \$130,000 loan was due and payable to the EDA by October 17, 2013. Unable to raise all of the funds (\$130,000) by the repayment deadline, LCEC has requested and obtained six-month extensions three times. The current repayment deadline was April 17, 2015. In a letter to the EDA dated March 20, 2015 (Attachment A), LCEC requested another six-month extension to October 17, 2015. LCEC sent another request letter dated May 11, 2015 (Attachment B) providing additional information on the status of the project, and met with the EDA on May 12, 2015 to discuss LCEC's request.

STRATEGIC PLAN: Educational Opportunities: Provide lifelong learning opportunities for all our citizens.

DISCUSSION: The County-EDA agreement allows for the extension if it is approved by the Board and the EDA. The EDA-LCEC promissory note also allows for extensions, also subject to prior Board approval. LCEC's third extension request approved by the Board on October 1, 2014, was conditioned on the LCEC making a payment to the EDA in lieu of interest in the amount of \$1,250. LCEC has made that payment to the EDA.

Given the LCEC's progress on the project, staff recommends approval of the LCEC's fourth extension request conditioned again on the LCEC making a payment to the EDA in lieu of interest in the amount of \$1,250. A due date was not discussed with the EDA. Staff recommends that July 17, 2015 be set as the date the payment in lieu of interest is due, which is approximately the midpoint of the six-month extension. The LCEC is nearing completion of the project, and will require all of its current funds to finalize the project and begin operating the facility. With the extension, the full amount of the loan to the LCEC is due on October 17, 2015. If the extension is approved and the LCEC cannot repay the loan in full by October 17, 2015, staff would recommend that new terms and conditions should be negotiated by the EDA to assure repayment of the loan.

BUDGET IMPACT: There is no impact to the budget for this extension, as the funds have been previously appropriated. Upon repayment, the \$130,000 would be returned to the County's Capital Reserve.

RECOMMENDATION:

Staff recommends that the Board: (1) approve the LCEC's requested deadline for repayment of the loan to October 17, 2015, subject to the condition that the LCEC make a payment in lieu of interest to the EDA of \$1,250 due on July 17, 2015; and (2) request that the EDA extend the date by which the loan is due and payable and amend the promissory note as necessary to allow the extension to October 17, 2015 and to require the payment in lieu of interest as recommended.

(A) Lewis & Clark - Fourth Extension Request Letter dated March 20, 2015

(B) Lewis & Clark - Follow-up Extension Request Letter dated May 11, 2015