



Albemarle County

Legislation Details (With Text)

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Title: First Amendment to the Promissory Note for the Lewis & Clark Exploratory Center

Sponsors:

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Attachments: 1. EDA_lewis_and_clark_note_first_amendment_050616.pdf

Date	Ver.	Action By	Action	Result
7/6/2016	1	Board of Supervisors	approved	Pass

AGENDA DATE: 7/6/2016

TITLE:

First Amendment to the Promissory Note for the Lewis & Clark Exploratory Center

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

ITEM TYPE: Consent Action Item

STAFF CONTACT(S): Foley, Kamptner, McClintic

PRESENTER (S): None.

LEGAL REVIEW: Yes

REVIEWED BY: Thomas C. Foley

BACKGROUND: On April 3, 2013, the Board of Supervisors approved an appropriation of \$130,000.00 in CIP fund balance to the Economic Development Authority (EDA) for the purpose of funding a loan for the Lewis and Clark Exploratory Center (LCEC), subject to: 1) an agreement between the County and the EDA regarding the EDA's reimbursement of the funds to the County when the LCEC repaid the loan to the EDA; 2) a note or some other instrument acceptable to the County Attorney by which the LCEC would agree to repay the loan to the EDA with a specific time table; and 3) the City of Charlottesville contributing or committing to contribute the other \$130,000 required to make up the \$260,000 shortfall.

The original note provided that the loan was to be repaid, without interest, by October 17, 2013; however, a series of 6-month extensions to the loan has been granted by the EDA since that time and the LCEC has made payments to the EDA totaling \$1,250.00.

On October 29, 2015, the Board of Supervisors received a letter from the LCEC requesting that the County forgive the EDA loan of \$130,000 to the LCEC, and the City of Charlottesville received the same request; however, at its meeting on December 9, 2015, the Board of Supervisors denied the request, instead directing the EDA to meet with LCEC representatives to restructure the loan agreement in a way that accommodates the LCEC's funding challenges.

A meeting with the Chairman and Treasurer of the EDA, two members of the LCEC Board, and the Executive Director of the LCEC took place on February 5, 2016 to discuss the Center's projected revenues for 2016 and the level of repayment they could manage for the remainder of this year. Additionally, the EDA representatives affirmed the EDA's goal for the loan to be repaid, rather than forgiven. With the LCEC agreeing to continuation of quarterly interest payments of \$625 through 2016, it was determined that the EDA and LCEC representatives would meet again in January 2017 to review the status and terms of the outstanding note. Subsequently, at its meeting on February 9, 2016, the Economic Development Authority voted to extend repayment of the loan to December 31, 2016 and to apply the quarterly payments to the outstanding principal balance, rather than interest; thus, making a substantive contribution to the LCEC on behalf of the County. The EDA also requested the County Attorney draft the necessary agreement for the LCEC Board's consideration (the "First Amendment to the Note," Attachment A) that, once executed, would enable the 2016 quarterly payments to be processed and applied to the Principal Amount Outstanding.

STRATEGIC PLAN: Goal 2: Prioritize, plan and invest in critical infrastructure that responds to past and future changes and improves the capacity to serve community needs and Goal 5: 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 fourth extension request was approved by the Board on June 3, 2015 and two quarterly payments have been received. The LCEC has attempted to make subsequent quarterly payments to the EDA but was directed to hold these payments until the First Amendment has been approved and executed.

BUDGET IMPACT: The extension of the loan payment deadline further delays the return of the funding to the County's Capital Improvement Program.

RECOMMENDATION:

Staff recommends that the Board approve the First Amendment to the note of the Lewis & Clark Exploratory Center of Virginia, Inc. to extend the repayment of the loan to December 31, 2016.

ATTACHMENTS:

A - First Amendment to the Note of the Lewis & Clark Exploratory Center of Virginia, Inc.