Albemarle County

Legislation Text

File #: 22-348, **Version:** 1

AGENDA DATE: 7/20/2022

TITLE:
North Garden Volunteer Fire Company Capital Project Conditional Donation and Loan Request

SUBJECT/PROPOSAL/REQUEST: Request Board support for conditional donation and loan agreements for North Garden Volunteer Fire Company's building expansion and improvement project

ITEM TYPE: Regular Action Item

STAFF CONTACT(S): Richardson, Walker, Hudson, Farley, Eggleston, Birch, Sumner, Stewart

PRESENTER (S): Walker

LEGAL REVIEW: Yes

REVIEWED BY: Jeffrey B. Richardson

BACKGROUND: The North Garden Volunteer Fire Company, Inc. (NGVFC), established in 1970, provides fire and emergency medical service as a part of the County's Coordinated Fire and Rescue System. Its response area covers the northern boundary at I-64 near Charlottesville, south to the Albemarle/Nelson County line along Route 29, and areas near Route 20 from the east extending to the west past Batesville. Last updated in 1999, the NGVFC fire station contains seven apparatus bays, one small bunk room, community meeting room, and kitchen.

STRATEGIC PLAN: Mission - To enhance the well-being and quality of life for all community members through the provision of the highest level of public service consistent with the prudent use of public funds.

DISCUSSION: In April 2022, NGVFC commenced its building expansion and improvement project. The approximate $2.5 million project will expand the current structure, providing a decontamination area for firefighters returning from active calls; improve firefighter staffing areas, including overnight housing quarters and exercise areas; as well as improvements to ensure the building is ADA compliant. Upon completion, NGVFC will be able to house an ambulance, adding a needed resource to the area. The scheduled completion date for the building expansion and improvement project is the end of calendar year 2022.

NGVFC has already funded a substantial portion of the design and construction cost, over $1.3 million, and is requesting financial support from the County to fully fund the project - a conditional donation of $585,364, and a 0% interest maximum loan amount of up to $650,000. The conditional donation agreement includes the following material terms:
- $585,364 contribution exclusively for project expenditures;
- Lump sum contribution with required reporting of project expenditures; and
- NGVFC shall remain in good standing of the Coordinated Fire and Rescue System.

The loan agreement includes the following material terms :
- Maximum loan amount up to $650,000 (actual drawdown amount may be less);

- Loan interest rate is 0%;
- Repayment terms are semi-annual payments over 20 years;
- Funding source for loan repayments shall be non-County sources;
- Loan closing and ratification shall commence upon project completion or drawdown of maximum loan amount, whichever shall come first; and
- NGVFC shall remain in good standing of the Coordinated Fire and Rescue System.

A key term of both the conditional donation and loan agreement is that, if NGVFC dissolves or is dissolved, the title to the real estate and improvements will transfer to the County. Further, NGVFC will agree not to encumber the property to any third party.

BUDGET IMPACT: The funding source for the conditional donation and the loan will be from the General Fund balance. The proposed use of the General Fund balance will not reduce the County's 10% unassigned fund balance or 1% Budget Stabilization Reserve. However, it does reduce the amount of undesignated funds that would be available for future uses.

RECOMMENDATION:
Staff recommends that the Board of Supervisors adopt the Resolution (Attachment A) authorizing the County Executive to execute the conditional donation and loan agreements with North Garden Volunteer Fire Company.

If the resolution is adopted, the funding appropriation will be presented for approval as part of the Fiscal Year 2023 Appropriations which will also be presented on the agenda for the Board's July 20 Regular Business Meeting.

ATTACHMENTS:
A - Resolution