

**CITY OF CHARLOTTESVILLE, VIRGINIA  
CITY COUNCIL AGENDA**



Agenda Date:	November 20, 2023
Action Required:	Council may consider the proposed resolution
Presenter:	Col. Martin Kumer, Courtney E. Rogers
Staff Contacts:	Ashley Marshall, Deputy City Manager
Title:	<b>Albemarle Charlottesville Regional Jail (ACRJ) Renovation Project Financing Strategy</b>

**Background**

**Historical information on the jail renovation process can be found on their public-facing website at: <https://www.acrj.org/renovationproject>.**

For this resolution, ACRJ and Davenport & Company are seeking approval for the first part of the Two-Part Plan of Finance: Interim Financing. The Two-Part Plan of Finance was designed to minimize the insurance of debt and related interest costs until the Authority had received bids for construction and a firm project cost was known. Part 1 consists of Interim Financing. This Interim Financing will provide only what is necessary to complete preliminary design and engineering costs so the project can be bid.

**Discussion**

**HISTORICAL TIMELINE:**

In January 2020, the ACRJ Board began the process to formally address maintenance, repair, and replacement issues with the original 1974 facility by approving a Facility Conditions Assessment (FCA). In January 2021, the Board found that the FCA findings warranted a comprehensive plan to be developed to address all of the jail's needs, and further determined to seek reimbursement from the state for 25% of the costs identified with such concerns that it would conduct a Community-Based Corrections Plan (CBCP) which was completed by Mosley Architects in July 2021. ACRP presented the CBCP to the Charlottesville City Council in October of 2021. At its meeting on September 6, 2022, the Charlottesville City Council approved a Resolution seeking State support for 25% reimbursement of eligible costs associated with planned renovations at the Albemarle Charlottesville Regional Jail (ACRJ), and it was accepted into the Governor's proposed budget in December 2022.

On January 17, 2023, Davenport & Company and ACRJ came before the City Council and the community to discuss the two-part proposed plan of finance. One section of that plan focuses on the Commonwealth of Virginia's capacity to provide a 25% reimbursement of eligible costs for major capital projects to regional jails. The Commonwealth's Board of Local and Regional Jails approved ACRJ's request, supported by the City Council and all other member jurisdictions governing bodies, for the 25% reimbursement. This approval was then forwarded to the General Assembly for approval

and inclusion in the Governor's Budget. While this reimbursement was included in the Budget, the General Assembly failed to pass a full budget during their legislative session in the calendar year 2023. This failure has delayed conversations on ACRJ's proposed renovations and financing, as the "skinny budget" that allowed the Commonwealth to continue to function did not include the 25% reimbursement for ACRJ's proposed renovations. The Authority Board was notified in September 2023 that the General Assembly approved the 25% reimbursement request.

### **RENOVATION FINANCING REQUEST:**

On September 1, 2023, the Jail issued a Request for Proposal (RFP) for architecture and engineering services (A&E). The RFP can be found on the ACRJ website at: [https://www.acrj.org/files/ugd/68aaef\\_b839c8e7f9e948b4820ce46b447937a6.pdf](https://www.acrj.org/files/ugd/68aaef_b839c8e7f9e948b4820ce46b447937a6.pdf) The request sought a firm to coordinate with community members, jail staff, and other pertinent entities and individuals to propose a design that meets the needs identified in the CBCP study. The RFP intended to identify the winning A&E firm in November 2023 and award the contract at the December 2023 Authority Board meeting if interim financing is approved.

Currently, Davenport is presenting a resolution to each member jurisdiction to seek approval of the first part of the Two-Part Plan of Finance: Interim Financing. The Two-Part Plan of Finance was designed to minimize the insurance of debt and related interest costs until the Authority had received bids for construction and a firm project cost was known. Part 1 consists of Interim Financing. This Interim Financing ("2023 BAN") is sized to provide an amount that would fund pre-development costs (architectural, engineering, and other related costs) to prepare the authority for bidding on the project. Upon bidding of the project, the authority will know the exact construction and development costs to be financed for the project. The proposed project costs for Part 1 is \$4,150,380 with a planning interest rate of 4.50% for an 18-month term as indicated on page 5 of the attached presentation.

Timelines from Davenport are presented in the attached PDF on pages 6 and 8.

### **Alignment with City Council's Vision and Strategic Plan**

Strategic Outcome Area - Public Safety: Charlottesville provides comprehensive, trusted public safety services and treats everyone with respect and dignity.

### **Community Engagement**

ACRJ engaged in public tours and public engagement sessions from August-September 2021 and presented the community and stakeholder results in September 2021. Further community engagement is planned during the interim financing phase.

### **Budgetary Impact**

Per page 9 of the attached presentation, the City of Charlottesville would be responsible for 39.9% of the total project debt service based on FY2024 estimates (which are subject to change based upon future jail population (i.ei. inmate days) for a total of \$40,368 in FY2024 and \$80,737 in FY2025.

### **Recommendation**

It is recommended that City Council approve the resolution for interim financing to engage in A&E services and additional community engagement for the proposed ACRJ renovation project.

## **Alternatives**

The council may decline to approve the resolution to provide its portion of the interest-only interim financing, or the council may propose an alternative investment in the interest-only interim financing.

## **Attachments**

1. Charlottesville - Plan of Finance - ACRJA
2. ACRJ Notice of Intent to Award Architecture and Engineering
3. Resolution approving ACRJA Obligations for the City of Charlottesville, VA