

Policy Briefing Summary

City Council



Regarding:	Resolution approving Albemarle Charlottesville Regional Jail ("ACRJ") Renovation Plan of Finance for the ACRJ Authority's Issuance of 2025 Bonds and the 2025 Grant Anticipation Note ("GAN")
Staff Contact(s):	Ashley Marshall, Deputy City Manager
Presenter:	Col. Martin Kumer
Date of Proposed Action:	June 16, 2025

Issue

City Council is considering local approval/authorization of the ACRJ Authority's participation in the 2025 Summer Pool for the 2025 Bonds and 2025 GAN.

Background / Rule

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

According to the attached Resolution, the ACRJ Authority Board and Davenport & Company ("Davenport") are seeking approval for the second part of the Two (2)-Part Plan of Finance: Permanent Financing/GAN. The Two (2)-Part Plan of Finance was designed to minimize the insurance of debt and related interest costs, until the ACRJ Authority had received bids for construction and a firm Project cost was known. Part 1 consisted of Interim Financing, which provided only what was necessary to cover preliminary design and engineering costs, so the Project could be bid on. Part 2 consists of Permanent Financing. The Permanent Financing is undertaken to fully fund the Project Costs above the Commonwealth of Virginia's ("Commonwealth") reimbursement amount, and permanently finance the Interim Financing. The GAN is undertaken to fully fund the Project costs in an amount equal to the Commonwealth's anticipated reimbursement.

The City would be responsible for 39.54% of the total debt service, equaling \$736,152 in FY 26, \$989,091 in FY 27 and FY 28, and roughly \$1,040,000 annually from FY 29- 53, for a total of \$28,714,462 using current data provided on page 11 of the attached Presentation. However, the annual debt service per jurisdiction will fluctuate based on the five (5)-year census average, similar to how the ACRJ Authority's Operating Budget Shares are determined. The City's share will be approved annually by City Council as part of the City's General Fund budget. The City would not be taking on any debt itself for this Project.

Analysis

HISTORICAL TIMELINE:

- In January 2020, the ACRJ Authority Board approved a Facility Conditions Assessment ("FCA") to formally address maintenance, repair, and replacement issues with the original 1974 Facility.
- In January 2021, the Board found that the FCA findings warranted a Comprehensive Plan to be developed to address all the Jail's needs, and further determined to seek reimbursement from the Commonwealth for 25% of the costs identified with such concerns that it would conduct a Community-Based Corrections Plan ("CBCP"), which Mosley Architects completed in July 2021. The ACRJ Authority presented the CBCP to City Council in October 2021.

- On September 6, 2022, City Council approved a Resolution seeking Commonwealth support for 25% reimbursement of eligible costs associated with planned renovations at the ACRJ. In December 2022, the Resolution was accepted into the Governor's Proposed Budget.
- On January 17, 2023, Davenport and ACRJ representatives came before City Council and the community to discuss the Two (2)-Part Proposed Plan of finance. One (1) Section of that Plan focuses on the Commonwealth's capacity to provide a 25% reimbursement of eligible costs for significant capital projects to regional jails. The Commonwealth's Board of Local and Regional Jails approved the ACRJ Authority's request, supported by City Council and all other Member jurisdictions' governing bodies, for the 25% reimbursement. The ACRJ Authority's Board was notified in September 2023, that the General Assembly approved the 25% reimbursement request.

RENOVATION FINANCING REQUEST:

- On September 1, 2023, the ACRJ issued a Request for Proposal ("RFP") for Architecture and Engineering services ("A&E"). The RFP can be found on the ACRJ's website at: https://www.acrj.org/files/ugd/68aaef_b839c8e7f9e948b4820ce46b447937a6.pdf
- In December 2023, the ACRJ Authority closed on Interim Financing.

Davenport and ACRJ return to City Council tonight to provide an update on the Two (2)-Part Plan of Finance proposed undertaking, which, if approved, will be processed in Summer 2025. The 2025 Permanent Financing will total \$36.9 million, and the 2025 GAN will total \$12.1 million, for a \$49 million split between all three (3) jurisdictions. Albemarle County, Virginia, will be responsible for \$32,055,042, and Nelson County, Virginia, will be responsible for \$11,851,796 of the Project total. A timetable for the 2025 Bonds and 2025 GAN is presented on pages 9-10 of the attached Presentation.

Financial Impact

As displayed on page 8 of the attached Presentation, the City would be responsible for 39.54% of the total debt service for a total of \$736,152 in FY2026, \$989,091 in FY 27 and FY 28, and roughly \$1,040,000 annually from FY 29- 53, for a total of \$28,714,462 using current data provided on page 11 of the attached Presentation. As the ACRJ Authority will be issuing the debt, this fiscal impact will be to the City's General Fund only.

Recommendation

City Staff and the City's Bond Counsel recommend City Council adopt the attached Resolution authorizing the ACRJ Authority to issue Jail Facility Bond and a Jail Facility GAN.

Recommended Motion (if Applicable)

"I make a Motion adopting the attached, presented Resolution authorizing the execution and delivery of a Support Agreement(s) with the ACJR Authority for the issuance of its Jail Facility Revenue Bond and a Jail Facility GAN."

Attachments

1. Final - Plan of Finance (Charlottesville Presentation) - ACRJ Permanent Financing & GAN
2. RES_June 2025 Charlottesville Resolution Approving VRA and GAN for ACRJ Renovations
3. DRAFT Charlottesville Support Agreement - GAN
4. DRAFT Charlottesville Support Agreement - VRA