



CITY HALL

CITY OF ANGELS PO Box 667, 200 Monte Verda St. Suite B, Angels Camp, CA 95222 P: (209) 736-2181

DATE: June 18, 2024
TO: City Council
FROM: Michelle Gonzalez, Finance Director
RE: **CDBG AND THE FIRE STATION PROJECT CLOSEOUT**

CDBG Grant

The City of Angels Camp is required to hold a public hearing and receive public comment regarding the Community Development Block Grant (CDBG) 20-CDBG-12021 and the City received a total of \$250,000 to plan for a new fire department. The City spent \$84,247.50 leaving a balance of \$165,752.50 available. The funds were spent on Design and Environmental requirements as well as a plan check and general administration. The information received during this public hearing will be reviewed and considered during the decision-making process.

The process includes the following:

1. Review the staff report
2. Open Public Hearing
3. Receive comments
4. Close Public Hearing
5. Adopt Resolution No. 24-55

BACKGROUND:

The City of Angels received a 20-CDBG-12021 Fire Station Planning Grant, which awarded \$250,000 to be used for the initial plans for the firehouse. These plans focused entirely on Phase 1, which was a limited firehouse due to funding restrictions.

DISCUSSION:

The City was awarded a Community Development Block Grant (CDBG) to plan the construction of a new fire station. This project aimed to enhance the safety and response times for our residents by upgrading our emergency service facilities. However, after thorough analysis and planning, it has become evident that continuing with this project is infeasible at this time due to several critical factors:

1. **Lack of Funding:** The initial grant covered planning and initial assessments, but the projected costs for the construction phase have significantly exceeded our budget estimates. The City currently lacks the necessary funding to bridge this gap without compromising other essential services and projects.



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2. Facility Assessments: Recent evaluations of our existing facilities have revealed that comprehensive upgrades and repairs are required across multiple city properties. This new information necessitates a reassessment of our priorities to ensure that we address the most urgent infrastructure needs efficiently and effectively.

3. Timeframe of the Planning Grant: City of Angels has 5 years from the start of this planning grant to complete construction. This would leave the City 2 years to complete the project from the current date.

Given these circumstances, the City Council is now tasked with deciding the best course of action moving forward. The options under consideration are:

1. Continue with the Current Plans: Persist with the fire station project despite the funding shortfall, seeking alternative funding sources or scaling down the project to fit the available budget.
2. Alternative Location: Explore the feasibility of constructing the fire station at a different location that may present lower costs or more advantageous conditions.
3. Deem the Project Too Costly: Conclude that the fire station project, in its current scope, is financially unfeasible and redirect efforts and resources toward other critical infrastructure needs.

Recommendation

Adopt Resolution 24-55 to close out CDBG Fire Station Project 20-CDBG-12021 as infeasible due to the cost of the project. That the City Council adopt the third option: The Project is too costly.

FINANCIAL IMPACT:

None – City would need to disencumber the remaining unspent funds \$165,752.50.

ATTACHMENTS:

Resolution 24-55



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