



## Finance Department

Donna B. Williams, CGFM  
Director

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Deputy Director

# Memo

**To:** Takiyah A. Douse, Interim Administrator  
Donna B. Williams, CGFM, Finance Director

**From:** Timothy Schroer, CPA, Deputy Finance Director

**Date:** October 6, 2023

**Re:** Funding Jail Pods

As directed by the commission below is an analysis of the options available to fund the construction of new jail pod(s) and repairs to the current pods.

- Issue General Obligation (GO) bonds:** This option would require the question to be place on a ballot for voter approval. There are three election dates in 2024 available. If approved an additional millage would be added to the property tax bills to provide funding for debt service.
- Use the Urban Redevelopment Agency (URA) to issue revenue bonds backed by an intergovernmental agreement (IGA) with Augusta:** The source of funding would be SPLOST 9. The estimated beginning date of SPLOST 9 collections is January 1, 2027. If the bonds are issued in 2024 to minimize the impact on the General Fund the bonds issued would include 24 months of capitalized interest. Capitalized interest would add approximately \$4 million to the project cost for one pod and \$8 million if two pods were constructed. There would be up to an 18-month gap were interest only payments would need to be funded by the General Fund. Depending on the amount borrowed the amount needed would be:

Interest Only Payments		
	\$37.5 Million 1 pod	\$75 million 2 Pods
2026	\$ 989,000	\$1,967,000
2027	1,978,000	3,934,000
Total	<u>\$2,967,000</u>	<u>\$5,901,000</u>

The following actions would be required for this option:

- a) Approval of a “move forward” resolution directing the Administrator and/or the finance team to prepare the necessary resolution that the Commission finds that the jail is located in a pocket of blight; prepare a redevelopment plan; schedule and conduct a public hearing on the plan; draft any necessary documents and deeds in order for Augusta to enter into an intergovernmental agreement with the Urban Redevelopment Agency to implement the plan; designate the scope of the project (renovation, construction of one or two pods); develop funding structure (i.e. use of capitalized interest and interest only payments to eliminate or minimize expense to General Fund until SPLOST 9 is approved); and to take such other steps as necessary to fund the project.
  - b) Commission adopts resolution finding that a pocket of blight exists.
  - c) Public hearing on redevelopment plan (typically held prior to Commission meeting).
  - d) Commission adopts resolution approving redevelopment plan (typically the same day as the public hearing).
  - e) URA approves parameters resolution and IGA to implement the plan.
  - f) Commission approves IGA and required transfers following URA approval.
  - g) Issuance of bonds by URA.
  - h) Pricing (typically on Commission meeting date so Administrator can advise of details of sale).
  - i) Closing.
- 3. SPLOST Phase 9:** A SPLOST election can be held any time prior to the end of a current SPLOST phase. Collections for SPLOST 8 are projected to end December 31, 2026. There are election dates available in 2024 however based on history it would be almost impossible to develop a project list before 2025. The available dates are:

<b>2024, 2025, and 2026 Elections</b>	
<b>Races</b>	<b>Election dates</b>
Presidential Primary	March 12, 2024
General Primary / Nonpartisan Election	May 21, 2024
General Election - President	November 5, 2024
Special Election to fill a vacancy & Propose a Question	March 18, 2025
Special Election to fill a vacancy & Propose a Question	November 4, 2025
Governor Primary	March 17, 2026
General Primary / Nonpartisan Election	May 19, 2026
General Election - Governor	November 3, 2026

The cost for a standalone election is approximately \$200,000. After voter approval, bonds could be issued prior to the start of collections for Phase 9. Some of the same issues relating capitalized interest would be faced in this option. It would be imperative to start developing a list of projects as soon as possible if this chosen path forward.