



The Village of Friendliness – Since 1870

To: The City of the Village of Douglas City Council

From: Lisa Nocerini, City Manager

RE: Approval of Reimbursement Resolution for Architectural Design Work at 415 Wiley Road in the amount of \$129,150.00

Date: June 17, 2024

At the Monday, June 10th, 2024, City Council Workshop, the council directed the City Administration to place an item on the June 17th, 2024, City Council meeting agenda, to consider approval to have Carbon Six Construction commence with Architectural Design work. Carbon Six Construction included this work in their initial proposal for an amount not to exceed \$129,150.00.

The expenditure of \$129,150.00 will initially come from the city's general fund under the FY24/25 building fund line item. However, the cost can be reimbursed back to the general fund at a later date, should the city move forward with approving a loan for the build-out, but this requires the City to pass a "Reimbursement Resolution" to have on record, that states when a loan is secured, the city can use loan proceeds to pay this money back to the general fund.

I want to point out that the attached resolution contains language that states, "The City intends to secure a loan to finance the overall development of the 415 Wiley Property in a maximum principal amount of \$4,000,000.00 and upon the closure of this loan, the expended funds will be reimbursed to the General Fund from the loan proceeds." While the City Council does not intend to spend \$4,000,000.00, and is not committed to spending that amount, it is imperative that the resolution has a number that we can ensure will not be exceeded. If the number is too low, and the city does exceed that amount, it would jeopardize the ability to have the costs reimbursed for the Architectural Design Phase (\$129,150.00) when the loan is eventually issued, and that is why the number is higher. The key word in the resolution language is "maximum."

It is important that this resolution is on the record, should the city move forward with securing a loan for the 415 Wiley Road Property build-out so that the City can reimburse the general fund for these costs.

Recommended Motion: Approve Reimbursement Resolution 14-2024 with the intent to reimburse the general fund from future loan proceeds for Architectural Design Work at 415 Wiley Road, in the amount of \$129,150.00, upon closure of the loan.