

# Facilities, Apparatus and Equipment Options, next steps

Olympia Tumwater RFA Planning Committee

April 11, 2022

Karen Reed, John Doan, Jay Burney

# This presentation will cover:

- Overview of what happens to Fire Department assets when an RFA is created
  - Facilities: 6 fire stations, training center, vehicle repair facility
  - Apparatus: fire trucks, vehicles, boats
  - Equipment: what the Firefighters wear into incidents, supplies on trucks.
- Key issues
- Next steps

# Facilities, Apparatus and Equipment

Facilities	Apparatus/Equipment
<p>Member agencies can:</p> <ul style="list-style-type: none"><li>• Retain title</li><li>• Transfer to RFA as is/where is</li><li>• Transfer to RFA for a fee/sell</li><li>• Lease to RFA</li><li>• Retain some use rights</li><li>• Retake title if facility no longer used for fire purposes (for free or a price, since it probably means a new station will be build)</li></ul> <p><i>(note: transfer of Real property exempt from Real Estate Excise Tax)</i></p>	<p>Member agencies can:</p> <ul style="list-style-type: none"><li>• Retain title</li><li>• Transfer to RFA as is/where is</li><li>• Lease to RFA</li><li>• Sell to RFA</li></ul> <p><i>(note: transfer of Assets not subject to sales/use tax)</i></p>

On the theory that the taxpayers have already paid once for these assets, transfer of facilities “as is/where is” is fairly common, but other options have been used. Apparatus and equipment are typically transferred at no cost, *as is/where is*.

# Key issues

- Conditions of transfer
  - “*As is/where*” is or?
  - Free or for a price?
  - “don’t make the taxpayers pay twice for the same asset”
- If there is **debt** associated with any facility/apparatus, review debt terms to see whether
  - Asset can be transferred to RFA
  - If RFA can assume the debt, or debt would need to be paid off and the repayment assumed by the RFA
  - If debt can’t be assumed or asset can’t be transferred, plan on a lease arrangement.
- Underlying land – environmental/other liabilities assumed by RFA or?
- RFA will need legal counsel to approve/review documents
- What’s the basis/valuation of the asset on transfer?

Questions?

# Next Steps

- Inventory assets, review debt terms
- Develop proposal for Committee's review
- Initial principles for approach:
  - Don't make taxpayers pay twice
  - Shift as many assets as possible to RFA, retaining right to get land back if it is no longer used.