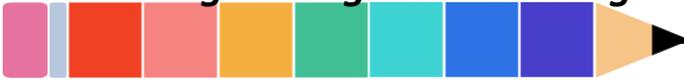


Penciling in Progress: Rustburg Middle School Renovation Project Timeline



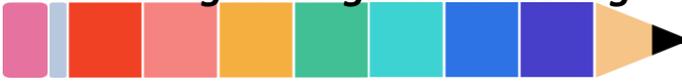
EXCERPT 03/03/20 BOARD OF SUPERVISORS MEETING MINUTES

(Meeting minutes available here: <http://www.campbellcountyva.gov/AgendaCenter/ViewFile/Minutes/03032020-279>)

//FINANCIAL ADVISORS – PROPOSED FINANCING OPTIONS/NEXT STEPS

Mr. David Rose, representative of Davenport and Company, provided the Board with the County's credit rating results. He also presented an overview of next steps and recommendations regarding how to best fund the upcoming Rustburg Middle School project and the Public Safety Radio System replacement. Mr. Rose reminded the Board that Davenport had worked to develop plans of finance for the County's future projects by assisting the County in obtaining a line of credit and implementing formal Financial Policy Guidelines. Mr. Rose explained that the current interest rate environment was at a 50-year historic low, which presented the opportunity for the County to lock in a considerable portion of its planned capital investment for the Rustburg Middle School and Radio System projects at a very low long-term cost of funds.Mr. Rose stated that Davenport's recommended plan of finance going forward was to borrow approximately \$40 million of the funding for the upcoming Rustburg Middle School. Additionally, \$6 million would be borrowed for the Radio System replacement, in order to lock in funding at a low fixed rate. He added that approach would help overall debt service cash flows and debt affordability. The balance of the funding for Rustburg Middle School would be borrowed, when necessary, after the bids were received and the costs were finalized.

Penciling in Progress: Rustburg Middle School Renovation Project Timeline



EXCERPT 04/07/20 BOARD OF SUPERVISORS MEETING MINUTES

(Meeting minutes available here: <http://www.campbellcountyvva.gov/AgendaCenter/ViewFile/Minutes/04072020-282>)

//New Fund 401, Debt Service Fund

Staff proposes to create a new Debt Service Fund in order to track debt expenditures independently of the General Fund budgeted items. The County's Financial Advisors have developed a "plan of finance" for the upcoming debt issuances to fund school capital needs and public safety improvements. The newly created fund would provide a single location to account for the County's current debt expenditures, but also to plan for and reflect future debt issuance. The creation of the Debt Service Fund has been vetted with the County's Auditors to ensure proper accounting methods and procedures were followed. The Board has previously assigned (in the Fiscal Year 2020 budget) \$1,889,027 for future debt. These funds, along with funds budgeted for this year's debt service payments would be moved into the new Debt Service Fund. Currently budgeted debt expenditures of \$3,930,067 and the previously assigned funds in the amount of \$1,889,027 would be transferred to the newly created fund.

Penciling in Progress: Rustburg Middle School Renovation Project Timeline



EXCERPT 05/05/20 BOARD OF SUPERVISORS MEETING MINUTES

(Meeting Minutes available here: <http://www.campbellcountyva.gov/AgendaCenter/ViewFile/Minutes/05052020-286>)

RUSTBURG MIDDLE SCHOOL PPEA PROJECT REQUEST

//Clif Tweedy, Deputy County Administrator, explained that for several years the Board of Supervisors and the School Board had been working toward constructing a new Rustburg Middle School. He added that property had been acquired for the project and significant efforts had been expended to develop a debt financing strategy. Mr. Tweedy indicated that there were several procurement options available for construction of a new school, but a solicited Public-Private Education Facilities and Infrastructure Act (PPEA) proposal process was the most advantageous for several reasons. First, the solicited PPEA proposal process would allow close coordination between School staff and the contractor's team to determine the elements of the new facility. Second, the process would allow the cost, quality, and schedule to be negotiated prior to signing a contract. Finally, the process would allow for a significant amount of time to be saved between the decision to start the design process and actually beginning construction. With a solicited PPEA proposal process construction would begin in the spring of 2021 and, following an aggressive timeline, the project would be completed by the start of the 2022 school year. Mr. Tweedy stated that the Joint Committee would be providing the overarching policy direction and project oversight, and School staff would provide the detailed planning direction. The new Rustburg Middle School project would be a collaborative effort among a number of parties and teamwork would be essential in making the project successful. On April 27, 2020, the Joint Committee unanimously approved a motion to recommend to the Board of Supervisors that the County use the solicited PPEA process to select a contractor to build a new Rustburg Middle School. The motion also recommended the Joint Committee be approved as the group to provide oversight for the process and to negotiate the necessary contracts.

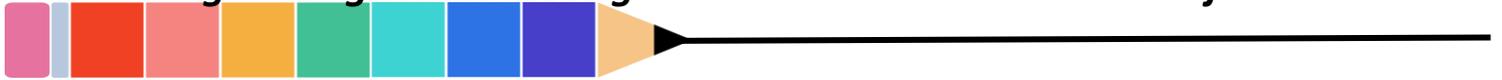
Supervisor Hardie requested that he and Supervisor Cline be allowed to give input during the construction process since the districts they represented were served by Rustburg Middle School. Supervisor Hogg was agreeable to the suggestion and added that she welcomed input from all Board members. Following direction from Administrator Rogers, it was determined that an informal committee could be formed that would allow suggestions from Supervisor Hardie and Supervisor Cline to be relayed to the Joint Committee.

On motion of Supervisor Hardie, it was resolved the Board of Supervisors approves the following:

1. Authorizes staff to advertise for construction of a new Rustburg Middle School through the use of a Solicited PPEA Proposal process;
2. Determines that constructing a new Rustburg Middle School is a qualifying project under the Public Private Educational and Infrastructure Act of 2002 as amended, particularly since it will cost in excess of \$30 million and be utilized for many years for a specific educational purpose;
3. Determines using competitive negotiation as outlined in the PPEA process is likely to be advantageous to the County due to the complexity or priority of need. These advantages include planning for construction to start adjacent to an existing school and coordinating the demolition of the existing facilities. Also, negotiating the schedule will allow the project to be ready for the start of the 2022 school year and be accommodating to the School's educational methods;



Penciling in Progress: Rustburg Middle School Renovation Project Timeline



4. Determines that using the PPEA process will allow close coordination between parties in negotiating scope, quality, costs, and schedule to save time during the design portion of the project. This will also allow the selection of a contractor with a proven record of success with a project of this type and scope;
5. Approves the Joint Committee to serve as the overarching group responsible for overall direction of the PPEA selection process, design review, contract negotiations, and construction oversight. Also determines the Schools and County have staff with sufficient qualifications to evaluate the proposals;
6. Approves Clifton Tweedy to serve as project coordinator over the PPEA process and construction Project Manager with close coordination with a representative from the Schools;
7. Requests the School Board appoint an individual to work closely with Mr. Tweedy to coordinate the management activities of the new Rustburg Middle School project.

Penciling in Progress: Rustburg Middle School Renovation Project Timeline



EXCERPT 05/19/20 BOARD OF SUPERVISORS MEETING MINUTES

(Meeting minutes available here: <http://www.campbellcountyva.gov/AgendaCenter/ViewFile/Minutes/05192020-300>)

//Bond purchase agreement Industrial Development Authority / Campbell County approved to read 05/01/20

05/29/20 Acquired parcel 34A-13-D-24 for \$160,000 (Abel)

06/01/20 Acquired parcel 34A-A-18 for \$130,000 (J C Land Timber)

06/26/20 Acquired parcels 34A-A-B,C for \$475,000 (Burnette)

xxxxxxx Pending parcel 34A-A-21 (Presbyterian Church)



RECEIVED MAY 20 2020

Karen Garner Berry
1876 Timberlake Drive
Lynchburg, VA 24502
May 16, 2020

Mr. Frank Rogers
Campbell County Administrator
P.O. Box 100
Rustburg, VA 24588

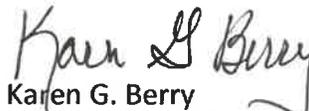
Dear Mr. Rogers:

I am writing today asking that Campbell County consider saving the old Rustburg Middle School building and incorporating it into the new building as they did at Concord Elementary. I understand that architects and builders are now comfortable doing this and there are tax credit savings available for local governments from the state and federal government.

It only makes sense that this beautiful and historic building should become part of the new structure; not only for strength and preservation also for savings to the taxpayers of Campbell County.

I appreciate you taking the time to read this and your serious consideration in this matter.

Sincerely,


Karen G. Berry
RHS 1969



RECEIVED MAY 18 2020

COMMONWEALTH of VIRGINIA

Department of Historic Resources

Matt Strickler
Secretary of Natural Resources

2801 Kensington Avenue, Richmond, Virginia 23221

Julie V. Langan
Director

Tel: (804) 367-2323
Fax: (804) 367-2391
www.dhr.virginia.gov

May 13, 2020

Frank J. Rogers
County Administrator
Campbell County
P.O. Box 100
Rustburg, VA 24588

Dear Mr. Rogers,

I recently learned about the county's plans for the Rustburg Middle School and I'm reaching out to ensure the county leadership is fully aware of the available tax incentives for rehabilitation so that those incentives can be factored into the cost estimates for rehabilitation versus total replacement. I would be happy to explain how the available state and federal tax credits could impact the project, and even come before the Board of Supervisors to offer my assistance, as I did fairly recently in Appomattox County regarding their vacant former middle school in the Town of Appomattox.

The school would appear to have strong potential for National Register eligibility, which would enable the use of both state and federal tax credits totaling up to 45% of the total costs. The credits can be syndicated and essentially purchased by a private partner. I can assist with register evaluation at little-to-no cost to the county at your request.

There are many developers looking for former schools to rehabilitate. I am, or have recently been involved in evaluations of public school buildings for the purposes of tax credit rehabilitation in a dozen or more localities just in my service region of western Virginia alone. Please feel free to call or email me for further assistance.

Sincerely,

A handwritten signature in cursive script that reads "Mike Pulice".

Mike Pulice
Architectural Historian
Western Region Office

Cc: Dr. Robert Johnson, Superintendent, Campbell County Schools

Western Region Office
962 Kime Lane
Salem, VA 24153
Tel: (540) 387-5443
Fax: (540) 387-5446

Northern Region Office
5357 Main Street
PO Box 519
Stephens City, VA 22655
Tel: (540) 868-7029
Fax: (540) 868-7033

Eastern Region Office
2801 Kensington Avenue
Richmond, VA 23221
Tel: (804) 367-2323
Fax: (804) 367-2391



THE PRACTUS GROUP
Safe Schools Associates

RECEIVED JUL 10 2020

Gay W. Reynolds, Ph.D.
3336 Perrowville Road, Suite 1
Forest, VA 24551-2266
888.551.3651

July 2, 2020

**Mr. Frank Rogers, Administrator
Campbell County Board of Supervisors
P.O. Box 100
Rustburg, VA 24588**

**Dr. Robert Johnson, Superintendent of Schools
Campbell County School Board
684 Village Highway
Rustburg, VA 24588**

Dear Sirs:

Congratulations on initiating the process to design and build a new Rustburg Middle School. Providing a quality educational environment to current and future students is important to all of us including those of us who attended school and worked there.

Campbell County may be able to save a substantial amount of taxpayer dollars by using Federal and Commonwealth of Virginia programs designed to preserve important historical community elements. The existing two-story brick building is eligible for the State and National Registers of Historic Properties.

The building is over 100 years old as it opened as a combined elementary and high school in 1919. This building was built during World War I and the 1918 Flu Epidemic; educated students through the Great Depression and World War II, and still stands proudly in 2020. For many of us, it was our elementary school and housed most of our high school classes.

We were among the first racially integrated classes to attend that school; 1970 was the first integrated graduating class at Rustburg High School.

Years ago, it would have been customary to demolish solid brick buildings without thought. Recent innovations have proven that old buildings can be given new life as well as help maintain a sense of community, continuity, and history.

July 10, 2020

Dr. Robert Johnson, Superintendent of Schools
Chairman and Members, Campbell County School Board
684 Village Highway
Rustburg, VA 24588

Dear Sirs:

First off, my thanks to Campbell County Schools for giving me the foundation at Rustburg Elementary and High School to become a teacher, museum curator, and museum director. Over my 41 year career, I was fortunate to train at the Smithsonian and be a part of the restoration and management of many historic sites and buildings including the White House of the Confederacy, Point of Honor, and the Lynchburg Museum in Lynchburg's Old Court House.

When I learned that Campbell County was embarking on building a new Rustburg Middle School, I was glad for all who would work or attend there. Knowing the beautiful job the County had done with Concord Elementary blending the original building into a modern complex, I looked for signs that a similar approach might be taken with Rustburg.

Instead, what I and others have learned in recent weeks is that a Request for Proposal issued in May for the new school specifically calls for demolition of the 1919 school. This school was built as a combined elementary and high school and at age 101 is eligible for the State and National Registers of Historic Places with tax credits totaling 45%.

In the last few decades, America's view of history has changed. Once focused on great white men and their houses, our history is now more inclusive as significance is given to things like local schools and people who made a difference in their communities. This school is where integration of County schools took place, with my graduating class of 1970 the first to have white and African American graduates. A photograph of that class with the 1919 school in the background is attached.

Campbell County has very few historic public buildings so the stewardship of those that remain – the courthouse, school administration building, and this school, as examples, are important. By deciding to demolish the building before even contracting for the project, there does not appear to be any sensitivity to the fact that large numbers of former students and county residents might have a desire to see the old school saved.

I am sure there is a long list of maintenance woes, as with any old building, and of course those who work there desire quality surroundings. The knowledge and technology that

Wright, Brooke S.

From: Rogers, Frank J. IV
Sent: Friday, August 7, 2020 10:28 AM
To: Wright, Brooke S.
Subject: FW: Restore the 1919 Rustburg Middle School Building

Brooke
Please add this to the DropBox folder for RMS correspondence.
Thank you
Frank

From: Bobby Johnson <bjohnson@campbell.k12.va.us>
Sent: Friday, August 07, 2020 10:02 AM
To: Rogers, Frank J. IV <fjrogers@co.campbell.va.us>
Subject: Fwd: Restore the 1919 Rustburg Middle School Building

CAUTION: This email originated from outside your organization. Use caution when opening attachments or clicking links, especially from unknown senders.

----- Forwarded message -----

From: Wayne Bailey <waynebailey212@gmail.com>
Date: Thu, Aug 6, 2020 at 6:41 PM
Subject: Restore the 1919 Rustburg Middle School Building
To: <bjones@campbell.k12.va.us>, <smiller@campbell.k12.va.us>, <dctmphilips@yahoo.com>, <mepperson@campbell.k12.va.us>, <gamattox@campbell.k12.va.us>, <Lbrant@campbell.k12.va.us>, <brykema@campbell.k12.va.us>, <bjohnson@campbell.k12.va.us>

August 6, 2020

Campbell County Public Schools

Attn: School Board

P.O. Box 99

Rustburg, VA 24588

I am writing as a graduate of the Campbell County Schools, specifically, the Rustburg High School Class of 1969, who strongly shares an interest in preserving and renovating the 1919 Rustburg Middle School building. It is one of the last remaining historical landmarks in the county and represents 101+ years and thousands of current and former students who although now scattered across this great country, remain attached to the many great memories and trials and tribulations that old building represents. That old building was foundational to my childhood and teenage years and has left an indelible impression on my soul as it has with so many others.

From my perspective incorporating historic school buildings into the construction of new school campuses is of considerable local, state and national public interest both from a historic preservation basis as well as a cost basis taking into consideration the federal historic rehabilitation tax credits available to school administrations who renovate rather than demolish these buildings that mean so much to the many students they have housed and served over the years. Waiving the "prior use" clause for school renovation projects, allowing school districts with aging infrastructure and tight budgets, especially considering the negative economic impact of Covid-19, to partner with private entities to finance renovations that school districts and counties in Virginia, as well as other states, is an idea whose time has come.

Your Senators, the Honorable Tim Kaine and Mark Warner introduced legislation on the floor of the United States Senate in 2017 to directly address their, and the beliefs of their constituency, that directly address this. The School Infrastructure Modernization Act of 2017, which according to the Congressional Record was read twice and referred to the Senate Finance Committee, intended to spur public and private investment in renovating active historic school buildings. One of the schools listed by the Senators was the Rustburg Middle School.

While it seems that both the Board of Supervisors and School Board is determined to demolish the historical building apparently quietly without providing an opportunity for the public to weigh-in and at a significant cost, I, like many others, think that during this unprecedented economic downturn due to the impact of Covid-19, that your taxpayers would be better served by taking steps to save them money by taking advantage of potential significant tax advantages of incorporating the old building into your plans for a new campus. The former, current and future students of the Campbell County Schools deserve a quality education and state of the art facilities but many strongly feel that this can be accomplished while maintaining the historical value and presence of the 1919 building.

I do realize that Requests for Proposals have already been quietly submitted by eleven companies to demolish the historic building and build a completely new campus. However, I did not see the related pricing/cost proposals. Have these been submitted and are they available for the public to review? If a FOIA request is needed, please let me know and I will gladly submit one.

At recent meetings of both the Campbell County School Board and Board of Supervisors those of us interested in renovating and restoring the building that was constructed 101+ years ago submitted a letter and spoke at these meetings to appeal to the county officials for this cause. While we feel that our thoughts and concerns

were somewhat considered, time is of the essence since the Requests for Proposals, that include the demolition of the building, have been submitted and currently are under review by county officials. As you know, the concerned alums and other interested citizens, both local and spread across the entire United States, have launched a Facebook page as well as a digital and hard copy petition to express our dismay with the current situation and to plead with the county officials to take advantage of the tax credits and possible grants which may be available to preserve the building while being good stewards of the taxpayers monies. I am including links for both the Facebook page and digital petition for your reference. The link for our petition to save the 101+ school building is: https://www.petitions.net/save_the_old_1919_rustburg_school#form and the Facebook page is: <https://www.facebook.com/groups/336635190665839/>

Should you have any questions or require further information, please feel free to reach out to me directly. My e-mail address is waynebailey212@gmail.com and my cell number is 703-33-3298. Thank you in advance for your time and consideration. While I currently reside in Ft. Worth, Texas, I am more than willing to travel back to my roots to address both the School Board and the Board of Supervisors.

Best regards,

Wayne M. Bailey

Rustburg High School

Class of 1969

--
Robert Johnson
Superintendent
Campbell County Schools
434-332-8246

The mission of Campbell County Schools is to provide a world-class education that enables every student to choose and pursue any post K-12 endeavor.

Campbell County Public Schools does not discriminate on the basis of race, color, national origin, disability, gender or age in its educational programs or employment.

This e-mail and any attachment is only for the person or entity to which it is addressed and may contain confidential and/or privileged material. Any review, re-transmission, copying or other use of this information by persons or entities other than the recipient is prohibited.

RECEIVED AUG 18 2020

Lawrence M. Brown Jr.

3961 Ocean Hills Court
Virginia Beach, VA 23451

(757) 613-1999 lbrownbeach@cox.net

August 12, 2020

Mr. Frank Rogers, Administrator
Campbell County Board of Supervisors
P.O. Box 100
Rustburg, VA 24588

Dr. Robert Johnson, Superintendent of Schools
Campbell County School Board
684 Village Highway
Rustburg, VA 24588

Dear Sirs:

I write in support of the reuse of the 1919 portion of the Rustburg school building as outlined in the attached letter which was sent to you by alumni on June 25, 2020.

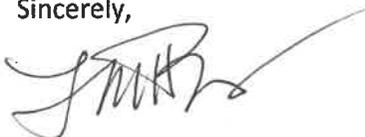
I have a fond connection with Rustburg as a former teacher at Rustburg High School. It is valuable for the citizens of the village to maintain the historic character of their home. Certainly, all who grew up in the area don't wish to lose another symbol of their identity. So many localities have simply cast off buildings that connect citizens to their communities, to their personal history and to each other.

Organizations I have worked with in the past as an administrator or board member have taken advantage of valuable tax credits to reduce the final price of projects both large and small. So there are cost savings while maintaining the village history and adding cultural depth to the communities.

As I was born and raised in Campbell County, I watched Lynchburg destroy building after building in the downtown area while conservationists made objections. Thank heaven much was not destroyed and downtown has again become a regional focal point and economic driver. On a smaller scale, the same principles apply in Rustburg.

So I add my name to the list of those supporting saving the 1919 school building by incorporating it into the new construction.

Sincerely,



Lawrence M. Brown Jr.

architects and contractors now have at their disposal for old buildings is exceptional. Most of them have worked on historic projects and with tax credits. Saving the building and having great new facilities is a win - win and attainable.

As people connected to Rustburg learn about the project and that it provides no chance for the historic school to be saved, these questions arise: "Has the County really studied how it could be saved and used and what about the tax credit savings? Why is there not a plan to have the chosen contractor and architect review the potential for saving it? "Why is this being done with no public comment or review?"

My request to you is to ask your construction team study how the building can be integrated into the new complex. As the Board, you have the ability to amend the scope of work and the contract. You might find that keeping the 1919 school would add value to the new school along with pride that Campbell County found a way to make a historic building live and continue to serve.

Thank you for taking the time to hear my comments and please consider giving the historic school a serious second look.

Sincerely,

A handwritten signature in black ink, appearing to read "D. Harvey", with a long, sweeping horizontal line extending to the right.

Douglas K. Harvey

Rustburg High School Class of 1970

Campbell County preserved Concord Elementary School and connected it to modern construction in recent years as a successful example of rehabilitation and cost reduction.

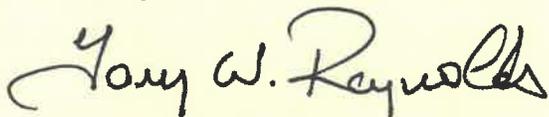
The Federal government and the Commonwealth of Virginia have successful programs in place to help local governments preserve their history while moving forward to upgrade and expand historic buildings. Current tax credit programs allow up to 45% savings if both programs are utilized. If you look across Virginia, downtowns and schools have used these programs to great advantage. Architects, engineers, and contractors understand these processes and know how to put them to work for Campbell County.

I and many others who attended and worked at this school strongly encourage County leadership and County school administration to enter this project with the message to your chosen planning team(s) to explore every option to adaptively reuse the 1919 brick building as part of the new middle school complex.

Campbell County has lost many of its historic structures and the village many of us grew up in has changed dramatically; you have an opportunity to keep something of value standing and to allow the old school to provide many more years of service, while being a good steward of taxpayer dollars.

Thank you for your consideration of saving the building; please let us know where you stand on this important issue.

Sincerely,



Gary W. Reynolds, Ph.D.
Rustburg High School Class of 1971
1973/75 Teacher, Rustburg Middle School
gwr809@aol.com
3336 Perrowville Road
Forest, VA 24551

*There are many others who volunteered to be added to this letter which was drafted as a group effort. In the interest of safety during the Covid outbreak and to save time, we decided to move forward with this list that did not require multiple signatures. I will share your responses with them and other interested parties.

Robert E. (Buddy) Maxey, Jr.
Rustburg High School Class of 1971
remaxeyjr@gmail.com

Douglas K. Harvey
Rustburg High School Class of 1970
doug@dkhmuseum.com

William A. "Bill" Carwile, Jr.
Rustburg High School Class of 1969
bcarwile123@yahoo.com

Karen Garner Berry
Rustburg High School Class of 1969
k.berry@lynchburgwholesale.com

John Evans
Rustburg High School Class of 1974
johnevens60@gmail.com

North Johnson
Rustburg High School Class of 1976
johnson.north@yahoo.com

Mrs. Janice Lacks
Teacher, Rustburg High School
Jenkslacks@aol.com

Dana Burnette Goetz
Rustburg High School Class of 1969
dbgoetz22@yahoo.com

Fulton Calhoun "Cal" Johnson
Rustburg High School Class of 1971
cjohnson@ymcaroanoke.org

Susan Burnette Jennings
Rustburg High School Class of 1972
susjen3@gmail.com

Emily Giles Jones
Rustburg High School Class of 1969
Jones.e@lynchburg.edu

Dottie Creasy Richardson
Rustburg High School Class of 1969
dot1ty2@embarqmail.com

One James Center
901 East Cary Street
Suite 1100
Richmond, Virginia 23219
804-697-2900

To Frank J. Rogers, County Administrator
Tyler Carraway, Finance Director
Dr. Robert Johnson, II, Superintendent of Schools
Campbell County, Virginia

From David Rose, Senior Vice President and Manager of Public Finance
Roland Kooch, Jr., Senior Vice President
R.T. Taylor, Vice President

Date August 21, 2020

Subject Financial and Legal Considerations Involving Potential Historic Tax Credits for the Planned Rustburg Middle School Project

CC Daniel M. Siegel, Attorney, Sands Anderson PC
F. Jesse Bausch, Attorney, Sands Anderson PC

Background

Davenport & Company LLC, in our capacity as Financial Advisor to Campbell County (the “County”), recently assisted the County in successfully securing a major portion of the expected capital requirements for a new Rustburg Middle School (the “Project”). Roughly \$40 million of the expected \$45 million was borrowed via the Industrial Development Authority of Campbell County (the “IDA”) at interest rates approximating 50-60 year lows. As such, the County saved several million dollars in avoided annual interest payments compared to the planning/budgeted rates from 12-18 months earlier.

Recently, Davenport was asked to look at the potential financial impact of pursuing Historic Tax Credits for this Project in the hopes of savings additional money for the citizens/taxpayers of Campbell County.

Following a series of conference calls and other research with a myriad of other parties, Davenport with assistance from Sands Anderson PC (the County’s Bond Counsel) on legal related matters have provided herein the following “Key Findings”:

Key Findings

- 1st** The County would be eligible for State (i.e. Commonwealth of Virginia) Historic Tax Credit considerations only and not Federal Historic Tax Credits. This later result is because Federal Historic Tax Credits cannot be used with tax-exempt financing for governmental facilities. Note: the cost/benefit of doing “taxable” financing vs. tax-exempt financing for the entire Project is far more costly than any potential Federal Historic Tax Credit benefits.

August 21, 2020

- 2nd Davenport prepared four funding scenarios using State Historic Tax Credits. Under three of the four scenarios, the overall cost of the Project to the County is more than the potential benefit from the State Historic Tax Credits. Under one scenario, the impact of the State Historic Tax Credits is slightly positive to break-even. In fact, the “cost of issuance” and other legal considerations could easily make even the best of the four scenarios more costly.
- 3rd There are no grant funding opportunities available by pursuing either State or Federal Historic Tax Credits.
- 4th Legal considerations are important in that the security and collateral structure of the recently completed bond issue via the IDA would either need to be redone or amended in such a way that the bondholders are amenable to certain changes. This is a considerable “ask” of bondholders and would be both costly and time consuming to effect. The chances of a successful result are too difficult to quantify at this time. In addition, we believe that because this would be a highly unusual request, the likelihood of success is questionable.
- 5th Pursuing State Historic Tax Credits, even in the most optimistic circumstances, is expensive, time consuming, bureaucratic and as such would materially impact any potential savings to the County. Since the current legal documents do not contemplate this option, we believe that an entire revisiting of this Project would be needed. The County would potentially have to revisit the construction schedule; total project cost (historic renovation would likely increase cost estimates); evaluate the impact of the new potentially higher costs on the previously provided financial plans to fund the Rustburg Middle School and the overall school investment program; reconsider the collateral for the bond funding that has already been secured; and revisit these matters with the bondholders.
- 6th Construction bid considerations are also a factor herein. Of the 11 original (stage 1) proposals received, one proposal included an option to save the 1919 building as a separate facility. Of the 5 shortlisted proposals, one proposal included an option to save the 1919 building as a stand along facility. Therefore rebidding or amending the bid structure to incorporate historic preservation of the 1919 building may be required. The time lost, cost incurred and ultimate result of rebidding or amending the scope of the Project are beyond our expertise, but are nevertheless a factor to be considered in possibly pursuing State Historic Tax Credits.

Conclusion

While Davenport is neither qualified nor capable to address the historic preservation aspects of the Rustburg Project, we can and have addressed the possible financial implications of pursuing State Historic Tax Credits. From our initial findings, it appears that no material financial benefit would be served and more likely, the County would incur additional costs if it pursued this option at this or any juncture along the way on this Project. Should you have any questions, please do not hesitate to contact us.