# **Snohomish County Council**



# Legislation Details (With Text)

**File #:** 2022-0510 **Version**: 1

Type: Motion Status: Approved

File created: 5/5/2022 In control: General Legislative Session

On agenda: 5/25/2022 Final action: 5/25/2022

Title: Motion 22-222, authorizing the Snohomish County Executive to pay off early the Airport's Community

Economic Revitalization Board (CERB) Loan under Contract #S12-790A0-031 at Snohomish County

Airport

**Sponsors:** Airport, Nickolis Landgraff

Indexes:

Code sections: SCC 3.04.140(8) - Award, execution, by whom

Attachments: 1. Motion 22-222, 2. Staff Report, 3. CERB Loan Payoff Request Letter, 4. CERB Loan Payoff

Request - Executive Memo, 5. Fiscal Impact Summary, 6. CERB Memo, 7. Motion Assignment Slip

Date	Ver.	Action By	Action	Result
5/25/2022	1	General Legislative Session	Approved	Pass
5/24/2022	1	Finance and Economic Development Committee	Moved to the GLS Consent Agenda	
5/16/2022	1	Administrative Session	Assigned	

# **Executive/Council Action Form (ECAF)**

#### **ITEM TITLE:**

Motion 22-222, authorizing the Snohomish County Executive to pay off early the Airport's Community Economic Revitalization Board (CERB) Loan under Contract #S12-790A0-031 at Snohomish County Airport

**DEPARTMENT:** Airport

**ORIGINATOR:** Nickolis A. Landgraff

**EXECUTIVE RECOMMENDATION:** Approve - Ken Klein

**PURPOSE:** To authorize the Executive to pay off early the Airport's Community Economic Revitalization Board (CERB) Loan under Contract #S12-790A0-031.

#### **BACKGROUND:**.

- ➤ The County entered into a low interest loan (CERB Contract #S12-790A0-031) with a principal balance of \$496,257 on March 12, 2012 via Motion 12-102 with the Community Economic Revitalization Board (CERB) to fund remediation of non-structural soils on 15.15 acres of Airport Property located off Commando Road.
- ➤ The County entered into a fifty (50) year land lease agreement with Capstone PF2, LLC on May 3, 2012 which outlines that the County must take out a CERB Loan and the County would pay 50% of the principal in years 6-15.
- > Capstone PF2, LLC would like to sell their building and has requested a Consent to Lease Assignment;

#### File #: 2022-0510, Version: 1

- however, before proceeding they must pay off their share of the CERB loan which totals an estimated \$215,540.93.
- ➤ Airport staff has requested from CERB via a letter dated April 13, 2022 for approval to pay off their loan and if approved by County Council the Airport would like to pay off our remaining share of \$212,681.55 as well.
- Airport staff is requesting to pay the total estimated outstanding CERB loan balance of \$428,222.48. Due to the potential for unknown fees or associated expenses staff is requesting authorization to pay the loan off up to \$440,000 after approval is received from CERB and all funds are received from Capstone PF2, LLC.

## **FISCAL IMPLICATIONS:**

TOTAL	\$428,222.48		\$428,222.48
			2.00.000
410-521680-4101 - CERB Principal	\$428,222.48		\$428,222.48
<b>EXPEND</b> : FUND, AGY, ORG, ACTY, OBJ, AU	CURRENT YR	2ND YR	1ST 6 YRS

REVENUE: FUND, AGY, ORG, REV, SOURCE	CURRENT YR	2ND YR	1ST 6 YRS
130-37321680-6250 - Rents & Leases	\$215,540.93		\$215,540.93
(Capstone PF2, LLC's Share)			
410-321680-0800 - Fund Balance	\$212,681.55		\$212,681.55
(County's Share)			
TOTAL	\$428,222.48		\$428,222.48

**DEPARTMENT FISCAL IMPACT NOTES:** The Airport has sufficient funds available in our 2022 budget program to accommodate this loan pay off of \$212,681.55. Contingent upon Capstone PF2, LLC paying their share of \$215,540.93 and CERB approving our proposed pay off, then Airport shall proceed with the final pay off payment.

## **CONTRACT INFORMATION:**

ORIGINAL	X	CONTR	ACT#	S12-790A0-031	AM	IOUNT	\$496,257	
AMENDMENT	X	CONTR	ACT#	Pay Off Loan	AN	OUNT	NTE \$440,000	_
Contract Period		START	12/30/	2013	END	1/31/20	133	
		START	12/30/2013		END		6/1/2022	

OTHER DEPARTMENTAL REVIEW/COMMENTS: Reviewed/approved by Risk and Finance