



**MEMORANDUM**

**TO:** Timothy J. Baroody, City Manager  
**FROM:** Tripp Lawrence, Assistant Director of Finance  
**RE:** Amending the FY 2023 Budget to Appropriate Funds in the Fredericksburg Regional Transit Fund and Fredericksburg Regional Transit Capital Fund for the Purchase of Land  
**DATE:** July 28, 2022 (for the August 9, 2022 Meeting)

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**ISSUE**

Shall the City Council amend the FY 2023 budget in the amount of \$330,000 for the purchase of land and related work associated with .298 acres near the Lawrence A. Davies Transit Center on Emancipation Highway for Fredericksburg Regional Transit and authorize the City Manager to execute a sales agreement for this property?

**RECOMMENDATION**

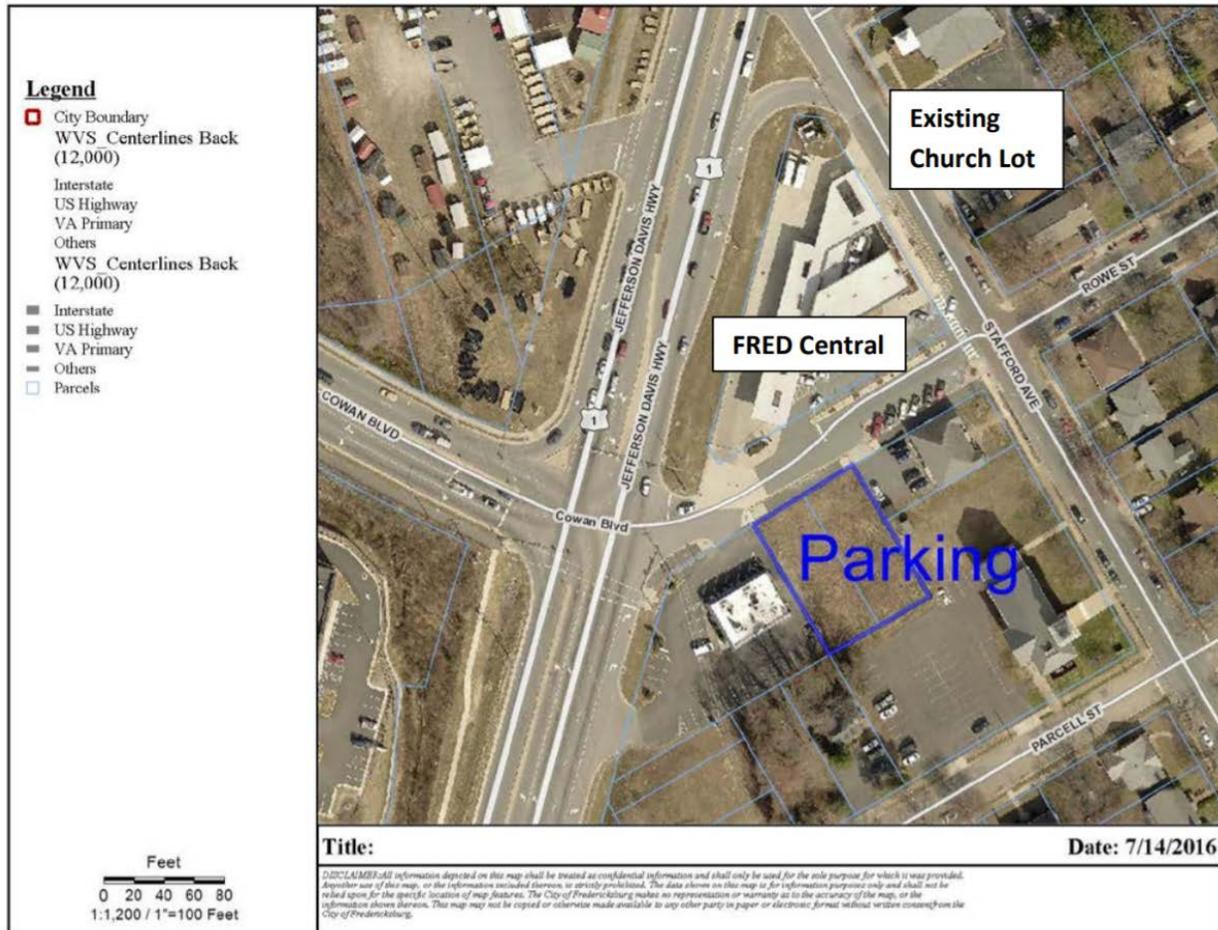
Yes. Staff recommends the approval of the attached resolution on first reading. If approved on first reading, second reading would be scheduled for August 23, 2022.

**BACKGROUND**

The current FRED Central site does not have a sufficient number of parking spaces to accommodate the number of staff and visitors that are routinely present at the facility. FRED has addressed this problem through a lease agreement with the Kingdom Baptist Church, located on the north side of Stafford Avenue, across the street from the FRED Central entrance. FRED staff members park in the church lot, leaving the FRED Central and street parking spots for visitors.

This arrangement has worked well for FRED; however, Kingdom Baptist Church has been for sale in the past and the parking lot may not be available in the future to accommodate FRED's parking needs. In recognition of this situation, FRED has investigated other options. One of these options is the purchase of two nearby parcels of unimproved land. These parcels, shown in the figure below, have a 2021 tax assessment value of \$162,500 each. Both parcels together comprise about 13,000 square feet. This would result in about 24 parking spaces for cars.

The acquisition of this parcel by the City would position FRED to be able to provide parking and/or multi-modal transit options (commuter, bicycle, and pedestrian) to the region. Future land improvements have been planned as part of the Transit Development Plan and will require approval by the Federal Transit Administration (FTA).



**FISCAL IMPACT**

The negotiated purchase price for the .298 acres is \$295,000. The attached resolution also includes an additional \$35,000 for other expenses to complete the transaction. Retained earnings (fund balance) in the Fredericksburg Regional Transit Fund is the source of the 100% local funds to finance this project.

The FY 2023 budget currently has an appropriation of FRED Transit fund balance in the amount of \$707,068.00. The attached resolution would increase the amount of fund balance used to \$1,037,068. FRED Transit spendable fund balance at the end of FY 2021 was \$10,169,696.95.

Attachment: Appropriation Resolution  
 Draft Letter of Intent to Rowe, LLC



August 9, 2022  
Regular Meeting  
Resolution 22-\_\_

**MOTION:**

**SECOND:**

**RE: Amending the Fiscal Year 2023 Budget to Appropriate Funds in the Fredericksburg Regional Transit Fund and Fredericksburg Regional Transit Capital Fund for the Purchase of Land**

**ACTION: APPROVED: Ayes: 0; Nays: 0**

**FIRST READ:** \_\_\_\_\_

**SECOND READ:** \_\_\_\_\_

The City of Fredericksburg has an opportunity to purchase land near Fredericksburg Regional Transit's Lawrence A. Davies Transit Center on Emancipation Highway. This purchase would enable the City to provide parking and/or multi-modal transit options (commuter, bicycle, and pedestrian) to the region.

City Council would like to amend the FY 2023 budget to facilitate the purchase of the land and authorizes the City Manager to execute a sales agreement with Rowe, LLC for the acquisition of 0.298 acres of land, more or less, comprising GPINs 7779-54-2268 and 7779-54-3301, for the price of \$295,000, and to execute such other deeds, instruments and documents as may be necessary to close the transaction, subject to review and approval by the City Attorney.

Therefore, the City Council hereby amends the budget in the Fredericksburg Regional Transit Fund and Fredericksburg Regional Transit Capital Fund as follows:

**Fredericksburg Regional Transit Fund (Fund 0503)**

Sources:

Fund Balance

Surplus Fund Balance	0503 361010	\$	<u>330,000</u>
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Total Surplus Fund Balance		\$	<u>330,000</u>
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<b>Total Sources</b>		<b>\$</b>	<b><u>330,000</u></b>
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Uses:

Interfund Transfers

Transfer to Capital Fund	0503 492040	\$	<u>330,000</u>
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Total Interfund Transfers		\$	<u>330,000</u>
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<b>Total Uses</b>		<b>\$</b>	<b><u>330,000</u></b>
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**Fredericksburg Regional Transit Capital Fund (Fund 0309)**

Sources:

Interfund Transfers

Transfer from Public Transit	0309 341056	\$	<u>330,000</u>
Total Interfund Transfers		\$	<u>330,000</u>
<b>Total Sources</b>		\$	<b><u>330,000</u></b>

Uses:

Fredericksburg Regional Transit Purchase of Land

Purchase of Land	30994704 482140	\$	<u>330,000</u>
Total Purchase of Land		\$	<u>330,000</u>
<b>Total Uses</b>		\$	<b><u>330,000</u></b>

**Votes:**

**Ayes:**

**Nays:**

**Absent from Vote:**

**Absent from Meeting:**

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***Clerk's Certificate***

*I certify that I am Clerk of Council of the City of Fredericksburg, Virginia, and that the foregoing is a true copy of Resolution No. 22-\_\_, adopted at a meeting of the City Council held August 23, 2022, at which a quorum was present and voted.*

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***Tonya B. Lacey, MMC***  
***Clerk of Council***

## Letter of Intent

[date]

Rowe, LLC  
1315 Emancipation Highway  
Fredericksburg, VA 22401

Re: Purchase and sale of GPIN #7779-54-2268 and 7779-54-3301

This letter of intent constitutes an expression of interest of the City of Fredericksburg (Purchaser) in purchasing from Rowe, LLC (Seller) the Property described below, on the general terms and conditions summarized herein. The proposed terms and conditions for the purchase and sale of the Property are as follows::

1. Property: 0.298 acres, more or less, comprising City of Fredericksburg, Virginia GPIN 7779-54-2268 and 7779-54-3301 (Property).
2. Purchase Price: Two hundred Ninety-Five Thousand Dollars (\$295,000.00), subject to appropriation by City Council, to be paid in cash at the closing of the sale of the Property.
3. Purchase Agreement: The transaction is subject to the negotiation and execution of an agreement of purchase and sale (Purchase Agreement), based on the terms of this Letter of Intent and in form and substance satisfactory to both parties, setting forth all of the obligations of the parties on or before thirty (30) days after the signing of this Letter of Intent. Purchaser and Seller shall negotiate the Purchase Agreement diligently and in good faith.
4. Closing Costs: Seller shall pay the costs of preparing the deed of conveyance and the grantor's tax thereon. Purchaser shall pay all costs, title insurance premiums and expenses incurred in connection with examination of title to the Property, its feasibility studies and inspections, all recording costs and fees in connection with the deed (other than the grantor's tax thereon). Each party shall pay its own legal, accounting and other expenses incurred in connection with the Purchase Agreement or Closing.

5. Closing date: Closing shall occur thirty (30) days after City Council approval, provided that in no event shall Closing occur later than \_\_\_[date]\_\_\_.
6. Acceptance: Acceptance of this Letter of Intent will not result in a binding agreement between the parties, but merely outlines the terms and conditions which will serve as the basis for the Purchase Agreement and any other related documents.
7. Termination: This Letter of Intent will automatically terminate on upon the earlier of: (a) the mutual execution of the Purchase Agreement, or (b) sixty days following the Effective Date.
8. Exclusive Negotiations: Seller shall not offer the Property for sale to anyone other than Purchaser or enter into or continue any discussions with any third-party to acquire the Property until such time as this letter of intent has terminated.

If the foregoing terms and conditions are acceptable to you, please execute and return to me the executed letter. This letter may be signed in one or more counterparts, each of which may be an original or copy and all of which when taken together shall constitute one and the same instrument.

Seller: ROWE, LLC a Virginia limited liability company

By: \_\_\_\_\_

Print Name: Carter Milan Waller,\_\_\_\_\_

Date: \_\_\_\_\_, 2022

Purchaser: CITY OF FREDERICKSBURG, a political subdivision of the Commonwealth of Virginia

By: \_\_\_\_\_

Print Name: Timothy J. Baroody, City Manager

Date: \_\_[date]\_\_, 2022