



MEMORANDUM

DATE: November 2, 2023
TO: HRCJTA Board & Associate Members
FROM: Scott Barlow, Executive Director
SUBJECT: FAQ's New Facility

FAQ'S:

I. Does the HRCJTA really need a new facility?

Structure:

The current facility has been modified over the years to maximize efficiency, but we struggle to meet current needs. We cannot increase the size of building as our lot size (acreage) is not large enough to accommodate building out, and the structure is not capable of accommodating a second floor (building up).

It is also important to note that this facility was never intended to be a long term facility. It was completed in a bit of a hurry as the HRCJTA had to leave CNU.

Property Size/Configuration:

For many larger classes we "borrow" parking from our neighbors. The lot size does not allow for outdoor practical exercises, fitness, formations, and large events.

During the 2021 and 2022 board meetings discussions were had on the inadequacy of our current facility and lot size. This is not a new discussion, the HRCJTA was inadequate in facility and lot size when we moved in.

The board recognizes the need for a larger footprint to grow the academy, and meet the evolving requirements of our training needs. We are restricted where we are and the only realistic option seems to be a move to a location with more acreage.

II. Has the HRCJTA explored other options, and potential partnerships?

The HRCJTA Executive Committee (E.C.) has explored many other alternatives. These alternatives included:

1. Asking member jurisdictions for property.
2. Exploring partnerships with military bases, and independent academies to share space.
3. Searching for an existing building to accommodate us.
4. Searching for land, with or without, an existing building to accommodate us.

III. Why did the search focus on the I-64 Corridor?

Several years ago the HRCJTA commissioned a needs study for an “indoor firing range”. The needs study found that the I-64 corridor in the Hampton & Newport News area was the center point for all our jurisdictions, and the most accessible for the majority of members.

The target property is 13 acres, on Route 17 in York County with Interstate 64 access.

IV. What is a “Build to Suit” with a “Lease to Own” Concept?

Mr. Hamner (Hamner Development) would work with HRCJTA to design the academy facility, and lot usage.

Hamner Development would purchase the land and finance the project. They, in fact, would own the land and facility.

Hamner Development would lease the facility to the HRCJTA with the option to purchase in a specified number of years in the future.

V. Why is the HRCJTA utilizing “Build to Suit” with a “Lease to Own” Concept?

The HRCJTA cannot borrow a large sum of money without at least one large jurisdiction assisting. No jurisdictions want this debt on their ledgers.

If we build a facility on our own, we would need to hire multiple experts (financial consultant, attorney, architect, civil engineer, general contractor, and project manager).

Using the build to suit option, as we did with the current facility, Mr. Hamner (Hamner Development) provides all these services and builds and owns the facility we ask for. We lease the facility with the option to purchase built in a number of years in the future.

This precedent has already been set. The HRCJTA accomplished moving to 805 Middle Ground (City Center) Blvd in 2001 utilizing this concept.

VI. How much will this cost HRCJTA Board & Associate Members?

There will be a significant increase in the “Pro-Rata” to each agency.

It is helpful to remember that for the last 35-40 years we have had the lowest “Pro-Rata” of all eleven regional academies. This increase will place us towards the high end but not the highest of the eleven regional academies.

The HRCJTA and Northern Virginia are the largest two regional academies in the Commonwealth.

The HRCJTA current facility will be sold, and the HRCJTA will utilize the proceeds for “capital improvements” at the beginning of our lease. This would allow us to phase in increases over a five-year period, and reduces the total costs of this project by 3.1 Million.

The lease the HRCJTA will sign with Hamner Development denotes milestones to ensure that the HRCJTA can purchase the new facility at original cost not market value in the future.

The build to suit, lease to own method does not violate the Virginia Procurement Act as determined when we purchased the current facility (2001). The HRCJTA attorney, Jeff Rosen, has provided this same legal opinion that was provided in 2001.

Projected Increases Over Five Years:

<u>Fiscal Year:</u>	<u>Current:</u>	<u>Increase:</u>	<u>Total:</u>
FY 2025	\$385	\$115	\$500
FY 2026	\$500	\$150	\$650
FY 2027	\$650	\$150	\$800
FY 2028	\$800	\$ 25	\$825
FY 2029	\$825	\$ 0	\$825