



CITY OF HARRISONBURG
**FINANCE
& PURCHASING**

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TO: Ande Banks, City Manager
FROM: Larry L. Propst, Director of Finance
DATE: February 2, 2024
RE: Supplemental Appropriation – Real Estate Purchase

Summary: Consider a supplemental appropriation for the purchase of real estate.

Background: The City entered into a real estate purchase agreement with Elevance Health, Inc. to purchase a parcel of property for the construction of Fire Station 5 in the amount of \$1.3 million. This supplemental will appropriate funds for the purchase of the property. The appropriation also includes closing and other costs associated with the purchase of the property. Funding will be provided from interest earnings received or anticipated to receive in this fiscal year.

Key Issues: None.

Environmental Impact: None.

Fiscal Impact: The total City budget will increase by \$2,640,000. The General Fund budget will increase by \$1,320,000 and the General Capital Projects Fund will increase by \$1,320,000.

Prior Actions: Resolution for a Real Estate Purchase and Sale Agreement approved by City Council on November 28, 2023.

Alternatives: Do not approve the supplemental appropriation.

Community Engagement: None.

Recommendation: Staff recommends approval of the supplemental appropriation.

Attachments: Supplemental Appropriation.

Review:

The initiating Department Director will place in Legistar, in sequence of transmittal, the names of each department that must initial their review in order for this item to be placed on the City Council agenda. The completion of review only addresses the readiness of the issue for Council consideration. This does not address the recommendation for approval or denial of the issue.

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