Butte County Board of Supervisors
Agenda Transmittal

Clerk of the Board Use Only

Agenda Item:

Subject: Honey Run Covered Bridge Association (HRCBA) Proposal to Incur A Loan from Butte County from the PG&E Settlement Fund

Department: Administration

Meeting Date Requested: February 14, 2023

Contact: Katie Simmons **Phone:** 530.552.3338 **Regular Agenda** ☒ **Consent Agenda** ☐

Department Summary: *(Information provided in this section will be included on the agenda. Attach explanatory memorandum and other background as necessary).*

The HRCBA, a 501(c)3 non-profit, owns and operates the land associated with the Honey Run Covered Bridge which was destroyed during the Camp Fire in 2018. The HRCBA took possession of the land from the County of Butte following the fire when it became clear no public funds were available for reconstruction. At the time ownership was transferred, HRCBA planned to raise private funds for the reconstruction of the bridge. The Grant Deed between the County and HRCBA states that if reconstruction is not completed within seven (7) years of the date the deed was signed (date?), the County has the right to terminate the deed and reconvey ownership of the land back to the County.

The HRCBA filed a claim with the Fire Victim Trust for $3,767,150; $221,076 of which was for losses at the bridge park, and $3,546,074 for the bridge rebuild. To date, the HRCBA has not received a determination letter nor first payment from the FVT for their claim.

Using privately raised funds totaling $1.2M, Phase I of bridge reconstruction was completed in November of 2020, which includes the foundations, abutments, columns, and slope protection. To proceed with the rebuild, the HRCBA Board of Directors is requesting the balance of funds for construction from the County's PG&E Settlement Fund. The total request is for $2.5M to complete Phases II and III which include the deck, trusses, siding, and roof, completing the rebuild of the bridge.

If the Board provides direction to draft a $2.5M loan agreement with the HRCBA, County Administration recommends requiring a long-term repayment plan resulting in annual contributions to the PG&E Settlement fund until the loan is fully repaid by the HRCBA through Fire Victim Trust settlement funds and/or private fundraising efforts. Alternatively, the HRCBA proposes a forgivable loan agreement whereby they submit any FVT settlement funds received to the County, and the County forgives any remaining balance.

Fiscal Impact:

Consideration of a $2.5M Loan to the HRCBA from the PG&E Settlement Fund

Personnel Impact:

None

Action Requested:

Provide direction to staff on the HRCBA's Proposal.

Administrative Office Review: Brian Ring, Deputy Administrative Officer