

City of Alexandria, Virginia

Support Agreement with IDA for The Muse Project in the Old Town North Arts District

Presentation To City Council

February 27, 2024



Agenda



- Background
- Plan of Finance
- Support Agreement

Background



- Old Town North Arts District
- The Muse Condominium Project
- Acquisitions, Buildout, and Activation of the first arts catalyst space within the Arts District

Industrial Development Authority of the City of Alexandria (IDA)



- The City established the IDA by ordinance pursuant to Section 15.2-4903 of the Code of Virginia.
- It is a seven-member board, appointed by City Council, to promote and facilitate economic and commercial development activities in the City.
- IDA as a conduit bond issuer has assisted 90 nonprofit organizations with bond financing, issuing \$1.5 billion in revenue bonds.

Plan of Finance



- \$250,000 investment of ARPA funds allocated as seed funding for the Arts District
- \$800,000 Construction Loan from the Virginia Small Business Finance Authority
- The Art League enters a lease obligation to occupy and activate the three spaces

Indicative Term Sheet



- Amount: \$800,000
- Interest Rate: 5.5%
- Closing Date: Estimated March 2024.
- Loan Maturity: March 2034.
- Maximum Annual Debt Service: ~\$59,000
 - Interest Due: Monthly commencing April 2024.
 - Principal Due: Monthly commencing October 2024

Support Agreement



- Non-binding undertaking
 - Parameters
 - Principal amount shall not exceed \$800,000
 - Interest rate shall not exceed 5.5%
 - Final maturity shall be no later than December 2035
- Debt service reserve fund requirement
- Reimbursement to the City

Questions?

The Art League Statistics



- 11,000+ class enrollments
- 21,000+ visitors
- 150 artist contractors; 20+ employees
- 50 weeks of activities offered 7 days a week, 12 hours a day