

RESOLUTION NO. 2576

**RESOLUTION OF THE COUNCIL OF THE CITY OF ALEXANDRIA, VIRGINIA
WITH RESPECT TO ECONOMIC DEVELOPMENT AUTHORITY OF MONTGOMERY
COUNTY, VIRGINIA REVENUE BOND FINANCING FOR
VIRGINIA TECH FOUNDATION, INC.**

WHEREAS, the Virginia Tech Foundation, Inc. (the "Foundation"), a non-profit organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), has described to the Economic Development Authority of Montgomery County, Virginia (the "Montgomery Authority") its plans to finance or refinance various facilities owned or to be owned by or leased to the Foundation or affiliated non-profit entities controlled by or under common control with the Foundation of benefit to, and in connection with its support of, the Virginia Polytechnic Institute and State University (the "University") and its programs, located in Montgomery County, Virginia, as well as in Rockbridge County, Virginia, Arlington County, Virginia, the City of Roanoke, Virginia and the City of Alexandria, Virginia;

WHEREAS, the Foundation has requested that the Montgomery Authority agree to issue its revenue bonds or other obligations (collectively, the "Bonds"), pursuant to the Industrial Development and Revenue Bond Act, Chapter 49, Title 15.2, Code of Virginia of 1950, as amended (the "Act"), in such amount up to \$45,000,000 as may be necessary to finance or refinance the cost of such facilities and related issuance costs;

WHEREAS, an aggregate principal amount of the Bonds not to exceed \$4,000,000 will be issued, and the proceeds thereof used together with other funds of the Foundation in the City of Alexandria, Virginia (the "City"), to finance or refinance the acquisition, construction and equipping of the approximately 12,000 square foot facility known as the 601 Prince Street facility (the "Project"), located at 601 Prince Street, Alexandria, Virginia, owned by the Foundation for use by the University for instructional purposes (the "Alexandria Plan of Financing");

WHEREAS, Section 147(f) of the Code requires that the highest elected governmental unit having jurisdiction over the area in which any facility financed with the proceeds of tax-exempt private activity bonds is located approve the issuance of the bonds after a public hearing, and Section 15.2-4906 of the Act provides that such public hearing shall be conducted by an applicable industrial development authority;

WHEREAS, Section 15.2-4905 of the Act provides that if a locality has created an industrial development authority, no industrial development authority created by a second locality may finance a facility located in the first locality unless the governing body of such first locality concurs with the inducement resolution adopted by the industrial development authority created by the second locality and shows such concurrence in a duly adopted resolution;

WHEREAS, the City has created the Industrial Development Authority of the City of Alexandria (the "Alexandria Authority"), which is the applicable industrial development authority pursuant to the Act with respect to the Alexandria Plan of Financing, and the Council of the City (the "City Council") constitutes the highest elected governmental unit and the governing body of the City;

WHEREAS, the Alexandria Authority held a public hearing with respect to the Alexandria Plan of Financing on September 3, 2013;

WHEREAS, the Montgomery Authority adopted an inducement resolution (the "Inducement Resolution") with respect to the issuance of the Bonds on August 20, 2013, and the Alexandria Authority has recommended that the City Council (i) approve the Alexandria Plan of Financing and the proposed issuance of Bonds as required by Section 15.2-4906 of the Act and Section 147(f) of the Code, and (ii) concur in the Inducement Resolution with respect to the Project located or to be located in the City as required by Section 15.2-4905 of the Act; and

WHEREAS, a copy of the Inducement Resolution, notice of the Alexandria Authority's public hearing, a copy of a resolution adopted by the Alexandria Authority describing the action taken by the Alexandria Authority, including a summary of the public hearing, and a Fiscal Impact Statement have been filed with the City Council.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF ALEXANDRIA, VIRGINIA:

1. The City Council, in order to permit the Montgomery Authority to assist the Foundation in the financing, hereby (i) approves the Alexandria Plan of Financing and the proposed issuance of Bonds by the Montgomery Authority, as required by Section 15.2-4906 of the Act and Section 147(f) of

the Code, and (ii) concurs in the Inducement Resolution regarding the issuance of the Bonds by the Montgomery Authority for the Project located in the City, as required by Section 15.2-4905 of the Act.

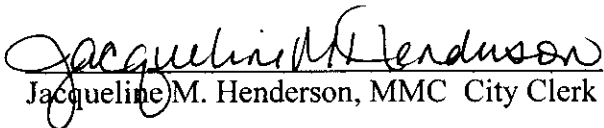
2. The City Council's approval of the issuance of the Bonds by the Montgomery Authority and concurrence in the Inducement Resolution of the Montgomery Authority do not constitute an endorsement to a prospective purchaser of the Bonds or the creditworthiness of the Foundation. The issuance of the Bonds as requested by the Foundation will not constitute a debt or pledge of the faith and credit of the Commonwealth of Virginia or the City, and neither the faith and credit nor the taxing power of the Commonwealth of Virginia or any political subdivision thereof, including the City, will be pledged to the payment of the Bonds. Neither the City nor the Alexandria Authority shall be obligated to pay the Bonds or the interest thereon or other costs incident thereto.

3. This resolution shall take effect immediately upon its adoption.

Adopted: September 24, 2013


WILLIAM D. EULLE MAYOR

ATTEST:


Jacqueline M. Henderson, MMC City Clerk

NOTICE OF PUBLIC HEARING ON PROPOSED BOND FINANCING

Notice is hereby given that the Industrial Development Authority of the City of Alexandria (the "Authority"), whose address is 625 N. Washington Street, Suite 400, Alexandria, Virginia 22314, will hold a public hearing, on behalf of the City of Alexandria, Virginia (the "City"), on the application and plan of financing of the Virginia Tech Foundation, Inc., a non-stock, nonprofit Virginia corporation described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Applicant"), whose principal business address is 902 Prices Fork Road, Suite 4000 (0142), Blacksburg, Virginia 24061, for the Economic Development Authority of Montgomery County, Virginia (the "Issuer") to issue revenue bonds or other obligations (collectively, the "Bonds"), pursuant to the Industrial Development and Revenue Bond Act, Title 15.2, Chapter 49 of the Code of Virginia of 1950, as amended (the "Act"), to assist the Applicant in financing or refinancing the costs of the acquisition, construction and equipping of the approximately 12,000 square foot facility known as the 601 Prince Street facility, located at 601 Prince Street, Alexandria, Virginia, owned by the Applicant for use by the University for instructional purposes. Proceeds of the Bonds may also be used to finance certain costs relating to the Bonds, including costs of issuance, financing fees, capitalized interest and certain reserves.

The amount of Bonds with respect to the above-described facility in the City will not exceed \$4,000,000. Bonds with respect to such facility may be issued by the Issuer in one or more series together with additional revenue bonds or other obligations financing or refinancing other facilities for the Applicant that are not located in the City and thus are not the subject of this public hearing.

As required by the Act, the issuance of the Bonds as requested by the Applicant will not constitute a debt or pledge of the faith and credit of the Commonwealth of Virginia or any political subdivision thereof, including the Authority, the Issuer and the City. Neither the Commonwealth of Virginia nor any political subdivision thereof, including the Authority, the Issuer and the City, shall be obligated to pay the Bonds, or the interest thereon, or other costs incidental thereto, except from the revenues and monies pledged therefor, and neither the faith and credit nor the taxing power of the Commonwealth of Virginia nor any political subdivision thereof, including the Authority, the Issuer and the City, will be pledged to the payment of principal of such Bonds or the interest thereon or other costs incidental thereto.

The public hearing, which may be continued or adjourned, will be held at 5:00 p.m. on Tuesday, September 3, 2013, before the Authority at its regular meeting location, 625 N. Washington Street, Suite 400, Alexandria, Virginia 22314. Subsequent to the public hearing, the Authority shall meet to consider recommending that the Council of the City concur with the inducement resolution of the Issuer relating to the issuance of the Bonds and approve the issuance of the Bonds. Any person interested in the issuance of the Bonds or in the above-described facility may appear at the hearing and present his or her views or may send written comments before such hearing to the Authority, c/o Executive Vice President & COO, Alexandria Economic Development Partnership, 625 N. Washington Street, Suite 400, Alexandria, Virginia 22314.

**INDUSTRIAL DEVELOPMENT AUTHORITY
OF THE CITY OF ALEXANDRIA**

HOLD: Certification of public hearing

**FISCAL IMPACT STATEMENT
FOR PROPOSED INDUSTRIAL DEVELOPMENT REVENUE BOND FINANCING**

Date: September 3, 2013

Name of Applicant: Virginia Tech Foundation, Inc.
Facility: 601 Prince Street
Alexandria, VA 22314

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|--|---------------------|
| 1. Maximum amount of financing sought | <u>\$ 4,000,000</u> |
| 2. Estimated taxable value of the facility's real property to be constructed in the municipality | <u>\$2,194,500</u> |
| 3. Estimated real property tax per year using present tax rates | <u>\$0</u> |
| 4. Estimated personal property tax per year using present tax rates | <u>N/A</u> |
| 5. Estimated merchants' capital tax per year using present tax rates | <u>N/A</u> |
| 6. (a) Estimated dollar value per year of goods that will be purchased from Virginia companies within the locality | <u>\$375,000</u> |
| (b) Estimated dollar value per year of goods that will be purchased from non-Virginia companies within the locality | <u>\$90,000</u> |
| (c) Estimated dollar value per year of services that will be purchased from Virginia companies within the locality | <u>\$125,000</u> |
| (d) Estimated dollar value per year of services that will be purchased from non-Virginia companies within the locality | <u>\$35,000</u> |
| 7. Estimated number of regular employees on year round basis | <u>6</u> |
| 8. Average annual salary per employee | <u>\$70,000</u> |

Chairman, Industrial Development Authority
of the City of Alexandria

If one or more of the above questions do not apply to the facility indicate by writing N/A (not applicable) on the appropriate line.

**RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE CITY OF
ALEXANDRIA RECOMMENDING APPROVAL BY THE COUNCIL OF THE CITY OF
ALEXANDRIA, VIRGINIA OF A PROPOSED ISSUE OF REVENUE BONDS BY THE
ECONOMIC DEVELOPMENT AUTHORITY OF MONTGOMERY COUNTY, VIRGINIA FOR
THE BENEFIT OF VIRGINIA TECH FOUNDATION, INC.**

WHEREAS, the Virginia Tech Foundation, Inc. (the "Foundation"), a non-profit organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), has described to the Economic Development Authority of Montgomery County, Virginia (the "Montgomery Authority") its plans to finance or refinance various facilities owned or to be owned by or leased to the Foundation or affiliated non-profit entities controlled by or under common control with the Foundation of benefit to, and in connection with its support of, the Virginia Polytechnic Institute and State University (the "University") and its programs, located in Montgomery County, Virginia, as well as in Rockbridge County, Virginia, Arlington County, Virginia, the City of Roanoke, Virginia and the City of Alexandria, Virginia;

WHEREAS, the Foundation has requested that the Montgomery Authority agree to issue its revenue bonds or other obligations (collectively, the "Bonds"), pursuant to the Industrial Development and Revenue Bond Act, Chapter 49, Title 15.2, Code of Virginia of 1950, as amended (the "Act"), in such amount up to \$45,000,000 as may be necessary to finance or refinance the cost of such facilities and related issuance costs;

WHEREAS, an aggregate principal amount of the Bonds not to exceed \$4,000,000 will be issued, and the proceeds thereof used together with other funds of the Foundation in the City of Alexandria, Virginia (the "City"), to finance or refinance the acquisition, construction and equipping of the approximately 12,000 square foot facility known as the 601 Prince Street facility (the "Project"), located at 601 Prince Street, Alexandria, Virginia, owned by the Foundation for use by the University for instructional purposes (the "Alexandria Plan of Financing");

WHEREAS, Section 147(f) of the Code requires that the highest elected governmental unit having jurisdiction over the area in which any facility financed with the proceeds of tax-exempt private activity bonds is located approve the issuance of the bonds after a public hearing, and Section 15.2-4906 of the Act provides that such public hearing shall be conducted by an applicable industrial development authority;

WHEREAS, Section 15.2-4905 of the Act provides that if a locality has created an industrial development authority, no industrial development authority created by a second locality may finance a facility located in the first locality unless the governing body of such first locality concurs with the inducement resolution adopted by the industrial development authority created by the second locality and shows such concurrence in a duly adopted resolution;

WHEREAS, the City has created the Industrial Development Authority of the City of Alexandria (the "Alexandria Authority"), which is the applicable industrial development authority pursuant to the Act with respect to the Alexandria Plan of Financing, and the Council of the City (the "City Council") constitutes the highest elected governmental unit and the governing body of the City;

WHEREAS, the City Council has been asked to (i) approve the Alexandria Plan of Financing and the issuance of the Bonds by the Montgomery Authority, and (ii) concur in the resolution adopted by the Montgomery Authority on August 20, 2013 (the "Inducement Resolution"), a copy of which has been filed with the Alexandria Authority, evidencing the Montgomery Authority's preliminary intention to issue its Bonds to assist in the Alexandria Plan of Financing;

WHEREAS, a public hearing has been held by the Alexandria Authority pursuant to Section 15.2-4906 of the Act and Section 147(f) of the Code regarding the Foundation's request, and the Alexandria Authority desires to recommend to the City Council (i) approval of the Alexandria Plan of Financing and the proposed issuance of Bonds, as required by Section 15.2-4906 of the Act and Section 147(f) of the Code, and (ii) concurrence of the City Council in the Inducement Resolution with respect to the Project located or to be located in the City, as required by Section 15.2-4905 of the Act; and

WHEREAS, the Foundation (for itself, its affiliates, its successors, its trustees, its officers and the assigns of all of the foregoing, howsoever they may appear), by tendering its request to the Alexandria Authority and accepting the Alexandria Authority's assistance pursuant to its adoption of this resolution, agrees to waive any claim or right as against and to indemnify and hold harmless the Alexandria Authority (and its Board of Directors and agents) and the City of Alexandria, Virginia (and its City Council, officials, employees and agents), including the natural persons comprising the said Board of Directors and the said City Council, from and against any and all liability whatsoever as may ever arise from or in connection with the subject matter of this resolution and the Bonds, including, but not limited to, any and all liability whatsoever as may ever arise under any federal or state securities and taxation laws in connection therewith, and the Foundation agrees to execute a writing on or before the issuance of the Bonds satisfactory to the Alexandria Authority and its counsel memorializing such indemnification agreement.

NOW, THEREFORE, BE IT RESOLVED BY THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE CITY OF ALEXANDRIA:

1. The Alexandria Authority recommends that the City Council (i) approve the Alexandria Plan of Financing and the proposed issuance of Bonds as required by Section 15.2-4906 of the Act and Section 147(f) of the Code, and (ii) concur in the Inducement Resolution with respect to the Project located or to be located in the City as required by Section 15.2-4905 of the Act. The effectiveness of this concurrence is expressly conditioned upon the Foundation's agreement to indemnify and hold harmless the Alexandria Authority and the City of Alexandria, Virginia as described above in the last "Whereas" clause of this resolution.

2. All fees charged, costs and expenses incurred by the Alexandria Authority in connection with the Alexandria Plan of Financing, including but not limited to the fees and expenses of counsel to the Alexandria Authority, shall be paid by the Foundation. If for any reason the Bonds are not issued, it is understood that all such expenses shall be paid by the Foundation and that the Alexandria Authority shall have no responsibility therefor.

3. Neither the Commonwealth of Virginia nor the City of Alexandria, Virginia nor the Alexandria Authority shall be obligated to pay the Bonds or the interest thereon or other costs incident thereto. Neither the faith and credit nor the taxing power of the Commonwealth of Virginia, or any political subdivision thereof, will be pledged to the payment of the Bonds or the interest thereon or other costs incident thereto.

4. This resolution shall take effect immediately upon its adoption.

Adopted this 3rd day of September, 2013.

CERTIFICATE

I, the undersigned Secretary of the Industrial Development Authority of the City of Alexandria, hereby certify that the foregoing is a true, correct and complete copy of a Resolution duly adopted by a majority of all directors of the Industrial Development Authority of the City of Alexandria at a meeting duly called and held, with a quorum present, on September 3, 2013, and that such Resolution has not been repealed, revoked, rescinded or amended, but is in full force and effect on the date hereof.

WITNESS my hand and the seal of the Authority, this 3rd day of September, 2013.

Secretary, Industrial Development Authority of the
City of Alexandria