

## **RESOLUTION NO. 2718**

**WHEREAS**, the Industrial Development Authority of the City of Alexandria (the "Alexandria Authority") has received a request from Inova Alexandria Hospital (the "Hospital") and certain affiliated entities (collectively, "Inova"), requesting that the Alexandria Authority and the City Council of the City of Alexandria, Virginia (the "City Council") approve the issuance by the Industrial Development Authority of Fairfax County, Virginia (the "Fairfax Authority") of its revenue bonds (the "Bonds") in an amount not to exceed \$305,000,000 to assist Inova in financing or refinancing all or part of the following plan of financing (collectively, the "Plan of Financing") to: (a) refund all or any portion of the Fairfax Authority's Health Care Revenue Bonds (Inova Health System Project), Series 2009A (the "Series 2009A Bonds") and the Fairfax Authority's Health Care Revenue Bonds (Inova Health System Project), Series 2012C (the "Series 2012C Bonds", and, together with the Series 2009A Bonds, the "Refunded Bonds"); (b) fund a debt service reserve fund for the Bonds, if any; and (c) pay certain expenses incurred in connection with the authorization, issuance and sale of the Bonds; and has held a public hearing with respect to the Plan of Financing on the date hereof; and

**WHEREAS**, a portion of the proceeds of the Refunded Bonds were applied to the refunding of bonds previously issued by the Fairfax Authority, the proceeds of which were applied to refund a prior issue, the proceeds of which prior issue were applied to refund bonds issued for the benefit of the Hospital located in the City of Alexandria, Virginia; and

**WHEREAS**, pursuant to Section 15.2-4905 of the Virginia Industrial Development and Revenue Bond Act, Chapter 49, Title 15.2 of the Code of Virginia of 1950, as amended (the "Act"), and Section 147 of the Internal Revenue Code of 1986, as amended (the "Code"), the Fairfax Authority may issue its bonds with respect to facilities outside of Fairfax County, Virginia if the governing body of the locality where the facilities are or will be located concurs with the inducement resolution for such bonds adopted by the Fairfax Authority and approves such issuance; and

**WHEREAS**, the Alexandria Authority has been asked to concur in the resolution adopted by the Fairfax Authority on March 24, 2016 (the "Fairfax Resolution"), a true and correct copy of which has been filed with the Alexandria Authority, evidencing the Fairfax Authority's intention to issue its revenue bonds to assist in the Plan of Financing and to approve such issuance; and

**WHEREAS**, a public hearing has been held on the date hereof by the Alexandria Authority regarding Inova's request and the Alexandria Authority desires to recommend (i) approval of the Plan of Financing and the proposed bond issue to the City Council, and (ii) concurrence of the City Council in the adoption of the Fairfax Resolution with respect to those facilities located or to be located in the City of Alexandria, Virginia (the "City of Alexandria") and approval of such issuance, in accordance with the requirements of Section 147(f) of the Code and Section 15.2-4906 of the Act; and

**WHEREAS**, (a) no member of the Board of Directors of the Alexandria Authority is an officer or employee of the City of Alexandria, (b) each member has, before entering upon his duties during his or her present term of office, taken and subscribed to the oath prescribed by Section 49-1 of the Code of Virginia of 1950, as amended, and (c) at the time of their appointments and at all times thereafter, including the date hereof, all of the members of the Board of Directors of the Alexandria Authority have satisfied the residency requirements of the Act; and

**WHEREAS**, no member of the Board of Directors of the Alexandria Authority has any personal interest or business interest in Inova, the subject bonds, or any of the transactions contemplated therein or has otherwise engaged in conduct prohibited under the State and Local Government Conflict of Interests Act, Chapter 31, Title 2.2 of the Code of Virginia of 1950, as amended in connection with this resolution or any other official action of the Alexandria Authority in connection therewith; and

**WHEREAS**, Inova (for itself, its affiliates, its successors, its trustees, its officers, its affiliates, 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 (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 described herein, 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 Inova agrees to execute a writing on or before the issuance of such 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 concurs in the Fairfax Resolution and recommends approval and concurrence thereof, and in the issuance of the subject bonds by the Fairfax Authority, by the City Council with respect to the facilities located or to be located in the City of Alexandria. The effectiveness of this concurrence is expressly conditioned upon Inova's agreement to indemnify and hold harmless the Alexandria Authority and the City of Alexandria, as described above in the last "Whereas" clause of this resolution.
2. All fees charged and costs and expenses incurred by the Alexandria Authority in connection with the Plan of Financing, including but not limited to the fees and expenses of counsel to the Alexandria Authority, shall be paid by Inova. If for any reason the subject bonds are not issued, it is understood that all such fees and expenses shall be paid by Inova and that the Alexandria Authority shall have no responsibility therefor.
3. The Alexandria Authority hereby directs the Secretary of the Alexandria Authority to deliver to the City Council a copy of this resolution, which constitutes the recommendation of the Alexandria Authority that the City Council concur in the Fairfax Resolution with respect to that portion of the facilities located or to be located in the City of Alexandria and approve the issuance of the subject bonds by the Fairfax Authority with respect to the facilities located or to be located in the City of Alexandria.
4. Neither the Commonwealth of Virginia nor the City of Alexandria 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.
5. This resolution shall take effect immediately upon its adoption.

Adopted: April 12, 2016.

  
ALLISON SILBERBERG MAYOR

ATTEST:

  
Jacqueline M. Henderson, MMC City Clerk

NOTICE OF PUBLIC HEARING BY THE INDUSTRIAL  
DEVELOPMENT AUTHORITY OF THE CITY OF  
ALEXANDRIA REGARDING THE PLAN OF FINANCING  
AND REFINANCING OF CERTAIN HEALTH CARE  
FACILITIES WITH THE PROCEEDS OF THE ISSUANCE OF  
TAX-EXEMPT BONDS BY THE INDUSTRIAL  
DEVELOPMENT AUTHORITY OF FAIRFAX COUNTY,  
VIRGINIA

NOTICE IS HEREBY GIVEN to all interested persons that the Industrial Development Authority of the City of Alexandria (the "Alexandria Authority") will hold a public hearing for the purpose of the approval of a plan of financing and refinancing (the "Plan of Financing") which will entail the issuance by the Industrial Development Authority of Fairfax County, Virginia (the "Fairfax Authority") from time to time of one or more series of its revenue bonds (the "Bonds"), in an aggregate principal amount not exceeding \$305,000,000 outstanding at any one time, for the purpose of providing funds to: (a) refund all or any portion of the Fairfax Authority's Health Care Revenue Bonds (Inova Health System Project), Series 2009A (the "Series 2009A Bonds") and the Fairfax Authority's Health Care Revenue Bonds (Inova Health System Project), Series 2012C (the "Series 2012C Bonds", and, together with the Series 2009A Bonds, the "Refunded Bonds"); (b) fund a debt service reserve fund for the Bonds, if any, (c) finance a portion of interest accruing on the Bonds; and (d) pay certain expenses incurred in connection with the authorization, issuance and sale of the Bonds.

The Series 2009A Bonds were issued in the original aggregate principal amount \$354,640,000 for the purpose of providing for the current refunding of the Fairfax Authority's Revenue Refunding Bonds (Inova Health System Project), Series 2008 (the "Series 2008 Bonds"). The Series 2008 Bonds were issued in the original aggregate principal amount of \$346,115,000 for the purpose of providing for the current refunding of a portion of the Fairfax Authority's Health Care Revenue Bonds (Inova Health System Project), Series 2005B, D and E issued in the original principal amount of \$352,700,000 (the "Series 2005 Bonds") and paying a portion of the expenses incurred in connection with the authorization, issuance and sale of the Series 2008 Bonds. The Series 2012C Bonds were applied to finance and refinance projects in jurisdictions other than the City of Alexandria.

With respect to facilities located in the City of Alexandria, the Series 2005 Bonds were issued: (i) to finance or refinance for Inova Alexandria Hospital all or a portion of the cost of (A) renovating and expanding certain portions of Inova Alexandria Hospital, including (1) the construction and equipping of 68,000 square feet of space, which includes a new 12-bed clinical decision unit in the emergency department, two additional operating rooms, additional space for the laboratory department and shell space, (2) the renovation and equipping of the cardiovascular interventional radiology area, and (3) the renovation and equipping of surgical support areas, and (B) acquiring certain capital equipment for use in or in connection with Inova Alexandria Hospital and renovating space necessary or incidental to the installation of such equipment; (ii) to finance or refinance a portion of the interest accruing on the Series 2005 Bonds during the construction period, and a reasonable period thereafter; and (iii) to pay certain expenses incurred in connection with the authorization, issuance and sale of the Series 2005 Bonds.

All references in the foregoing to square footage, number of rooms, beds, units or parking spaces and similar quantitative measurements are approximations.

Inova Alexandria Hospital is operated by Inova Health Care Services.

Neither the Commonwealth of Virginia nor any political subdivision thereof, including 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.

Please take notice that the Alexandria Authority will hold a public hearing in the offices of the Alexandria Economic Development Partnership, Inc., at 625 N. Washington Street, Suite 400, Alexandria, Virginia on April 5, 2016 at 5:00 p.m., at which time any person may be heard regarding the Plan of Financing.

Any person wishing to comment in writing on the Plan of Financing should do so to the Industrial Development Authority of the City of Alexandria, c/o Alexandria Economic Development Partnership, Inc., 625 N. Washington Street, Suite 400, Alexandria, Virginia 22314.

INDUSTRIAL DEVELOPMENT AUTHORITY  
OF THE CITY OF ALEXANDRIA

March \_\_, 2016

March \_\_, 2016

**FISCAL IMPACT STATEMENT  
FOR PROPOSED BOND FINANCING\***

Date: April 5, 2016

To the City Council of Alexandria, Virginia

Applicant: Inova Health System Foundation and Affiliates  
including Refunding Bonds Related to  
Health Care Facilities, in the City of Alexandria, Virginia

	City of Alexandria
1. Maximum amount of financing sought.	\$305,000,000 <sup>†</sup>
2. Estimated taxable value of the facility's real property to be constructed in the locality.	0
3. Estimated real property tax per year using present tax rates.	0
4. Estimated personal property tax per year using present tax rates.	0
5. Estimated merchants' capital tax per year using present tax rates.	0
6. (a) Estimated dollar value per year of goods that will be purchased from Virginia companies within the locality.	N/A
(b) Estimated dollar value per year of goods that will be purchased from non-Virginia companies within the locality.	N/A
(c) Estimated dollar value per year of services that will be purchased from Virginia companies within the locality.	N/A
(d) Estimated dollar value per year of services that will be purchased from non-Virginia companies within the locality.	N/A
7. Estimated number of regular employees on year round basis.	N/A
8. Average annual salary per employee.	N/A

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Industrial Development Authority  
of the City of Alexandria, Virginia

\* The bond financing is limited to refunding existing bonds and refinancing previously financed projects which projects were the subject of Fiscal Impact Statements submitted to the City Council.

<sup>†</sup> Amount in aggregate for all jurisdictions.

RESOLUTION OF THE INDUSTRIAL DEVELOPMENT  
AUTHORITY OF THE CITY OF ALEXANDRIA  
RECOMMENDING APPROVAL BY THE CITY COUNCIL OF  
THE CITY OF ALEXANDRIA, VIRGINIA OF A PROPOSED  
ISSUE OF REVENUE BONDS BY THE INDUSTRIAL  
DEVELOPMENT AUTHORITY OF FAIRFAX COUNTY,  
VIRGINIA IN AN AMOUNT NOT TO EXCEED \$305,000,000  
FOR THE BENEFIT OF INOVA ALEXANDRIA HOSPITAL  
AND CERTAIN AFFILIATED ENTITIES

**WHEREAS**, the Industrial Development Authority of the City of Alexandria (the “Alexandria Authority”) has received a request from Inova Alexandria Hospital (the “Hospital”) and certain affiliated entities (collectively, “Inova”), requesting that the Alexandria Authority and the City Council of the City of Alexandria, Virginia (the “City Council”) approve the issuance by the Industrial Development Authority of Fairfax County, Virginia (the “Fairfax Authority”) of its revenue bonds (the “Bonds”) in an amount not to exceed \$305,000,000 to assist Inova in financing or refinancing all or part of the following plan of financing (collectively, the “Plan of Financing”) to: (a) refund all or any portion of the Fairfax Authority’s Health Care Revenue Bonds (Inova Health System Project), Series 2009A (the “Series 2009A Bonds”) and the Fairfax Authority’s Health Care Revenue Bonds (Inova Health System Project), Series 2012C (the “Series 2012C Bonds”, and, together with the Series 2009A Bonds, the “Refunded Bonds”); (b) fund a debt service reserve fund for the Bonds, if any; and (c) pay certain expenses incurred in connection with the authorization, issuance and sale of the Bonds; and has held a public hearing with respect to the Plan of Financing on the date hereof;

**WHEREAS**, a portion of the proceeds of the Refunded Bonds were applied to the refunding of bonds previously issued by the Fairfax Authority, the proceeds of which were applied to refund a prior issue, the proceeds of which prior issue were applied to refund bonds issued for the benefit of the Hospital located in the City of Alexandria, Virginia;

**WHEREAS**, pursuant to Section 15.2-4905 of the Virginia Industrial Development and Revenue Bond Act, Chapter 49, Title 15.2 of the Code of Virginia of 1950, as amended (the “Act”), and Section 147 of the Internal Revenue Code of 1986, as amended (the “Code”), the Fairfax Authority may issue its bonds with respect to facilities outside of Fairfax County, Virginia if the governing body of the locality where the facilities are or will be located concurs with the inducement resolution for such bonds adopted by the Fairfax Authority and approves such issuance;

**WHEREAS**, the Alexandria Authority has been asked to concur in the resolution adopted by the Fairfax Authority on March 24, 2016 (the “Fairfax Resolution”), a true and correct copy of which has been filed with the Alexandria Authority, evidencing the Fairfax Authority’s intention to issue its revenue bonds to assist in the Plan of Financing and to approve such issuance;

**WHEREAS**, a public hearing has been held on the date hereof by the Alexandria Authority regarding Inova's request and the Alexandria Authority desires to recommend (i) approval of the Plan of Financing and the proposed bond issue to the City Council, and (ii) concurrence of the City Council in the adoption of the Fairfax Resolution with respect to those facilities located or to be located in the City of Alexandria, Virginia (the "City of Alexandria") and approval of such issuance, in accordance with the requirements of Section 147(f) of the Code and Section 15.2-4906 of the Act;

**WHEREAS**, (a) no member of the Board of Directors of the Alexandria Authority is an officer or employee of the City of Alexandria, (b) each member has, before entering upon his duties during his or her present term of office, taken and subscribed to the oath prescribed by Section 49-1 of the Code of Virginia of 1950, as amended, and (c) at the time of their appointments and at all times thereafter, including the date hereof, all of the members of the Board of Directors of the Alexandria Authority have satisfied the residency requirements of the Act;

**WHEREAS**, no member of the Board of Directors of the Alexandria Authority has any personal interest or business interest in Inova, the subject bonds, or any of the transactions contemplated therein or has otherwise engaged in conduct prohibited under the State and Local Government Conflict of Interests Act, Chapter 31, Title 2.2 of the Code of Virginia of 1950, as amended in connection with this resolution or any other official action of the Alexandria Authority in connection therewith; and

**WHEREAS**, Inova (for itself, its affiliates, its successors, its trustees, its officers, its affiliates, 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 (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 described herein, 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 Inova agrees to execute a writing on or before the issuance of such 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 concurs in the Fairfax Resolution and recommends approval and concurrence thereof, and in the issuance of the subject bonds by the Fairfax Authority, by the City Council with respect to the facilities located or to be located in the City of Alexandria. The effectiveness of this concurrence is expressly conditioned upon Inova's agreement to indemnify and hold harmless the Alexandria Authority and the City of Alexandria, as described above in the last "Whereas" clause of this resolution.

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

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4. Neither the Commonwealth of Virginia nor the City of Alexandria 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.

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



Adopted this \_\_\_\_ day of April, 2016.

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Vice Chairman, Industrial Development Authority  
of the City of Alexandria

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