

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

PUBLIC NOTICE IS HEREBY GIVEN to all interested persons that, at the time and place designated below, 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 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 \$500,000,000 outstanding at any one time, for the purpose of providing funds pursuant to such plan of finance. The public is invited to comment either in person or in writing with respect to the projects and the issuance of the Bonds.

Proceeds of the Bonds are expected to be used to finance or refinance all or a portion of the cost of constructing, reconstructing, renovating, equipping, furnishing, repairing, purchasing or otherwise providing for the projects described below, including the refunding of the bonds, notes and/or lease obligations set forth below (collectively, the “Project”) and to provide for the payment of a portion of the interest on the Bonds and all or a portion of the costs of issuance of the Bonds. The Project is owned and/or operated by Inova Health Foundation, a nonprofit organization described in Section 501(c)(3) of the Internal Revenue Code, and its wholly-owned affiliates (collectively, “Inova”), except as indicated below, and is located at the addresses or locations listed or as otherwise described below.

Proceeds of the Bonds, in an aggregate principal amount not exceeding \$250,000,000 (the “New Money Bonds”), are expected to be used to fund all or portions of the following, including all necessary and usual attendant and related facilities, equipment, furnishing and fixtures, together with any related demolition, site preparation and improvements, and utility work, at the following locations:

(a) the renovation and modernization of patient care areas in the former Women’s and Children’s Hospital building at Inova Fairfax Hospital,

(b) the renovation and repurposing of an existing floor in the former Women’s and Children’s Hospital building for use as an Ambulatory Surgery Center (ASC) at Inova Fairfax Hospital,

(c) the renovation and expansion of the existing surgical center and related support areas at Inova Fairfax Hospital,

(d) the renovation and expansion of the existing sterile processing facilities at Inova Fairfax Hospital,

(e) the renovation, upgrade and expansion of existing facilities and infrastructure at Inova Fairfax Hospital;

(f) the renovation and rehabilitation of the existing Emergency Department at Inova Loudoun Hospital,

(g) the construction of a new entrance canopy at Inova Loudoun Hospital,

(h) the construction of a new parking garage at Inova Loudoun Hospital, including related site work,

(i) the construction of a new hospital building and renovation of related support spaces and patient rooms at Inova Loudoun Hospital,

(j) the renovation, upgrade and expansion of existing facilities and infrastructure at Inova Loudoun Hospital;

(k) the expansion and relocation of the pharmacy, including related infrastructure at Inova Loudoun Hospital,

(l) the renovation, upgrade and expansion of existing facilities and infrastructure at Inova Mount Vernon Hospital;

(m) the renovation of the 3rd floor FCC Unit, Post-Partum and L&D units, the sleep areas and offices, lactation offices, waiting areas at Inova Fair Oaks Hospital,

(n) the renovation and rehabilitation of patient rooms at Inova Fair Oaks Hospital,

(o) the renovation, upgrade and expansion of existing facilities and infrastructure at Inova Fair Oaks Hospital;

(p) the renovation and rehabilitation of Building B to create a new cancer center, including related updates to the systems and components of Building B at the Inova Center for Personalized Health Campus (the “ICPH Campus”),

(q) the construction of an approximately 108,000 square-foot addition to Building A to be used to house Linear Accelerators and other Imaging Equipment at the ICPH Campus,

(r) the renovation and rehabilitation of Building A to create a new 25-bed rehabilitation unit, including related updates to the systems and components of Building A at the ICPH Campus,

(s) the construction of a new surface parking lot at the ICPH campus,

(t) the construction of a new parking garage at the ICPH campus, and

(u) the renovation, upgrade and expansion of the existing facilities and infrastructure at the ICPH Campus.

Proceeds of the Bonds, in an aggregate principal amount not exceeding \$200,000,000 (the “Refunding Bonds”), are also expected to refund all or a portion of the following:

(a) the Virginia Small Business and Financing Authority’s outstanding Health Care Revenue Bonds (Inova Health System Project), Series 2017 (the “Series 2017 Bonds”); (b) the

Fairfax Authority's outstanding Health Care Revenue Bonds (Inova Health System Project), Series 2005C-1 and Series 2005C-2 (collectively, the "Series 2005C Bonds"); and (c) the Fairfax Authority's outstanding Variable Rate Demand Health Care Revenue Bonds (Inova Health System Project), Series 2000A (the "Series 2000A Bonds").

Proceeds of the Series 2017 Bonds were used for refunding all of the Industrial Development Authority of Fairfax County, Virginia's outstanding Health Care Revenue Bonds (Inova Health System Project), Series 2009A (the "Series 2009A Bonds") and its Health Care Revenue Bonds (Inova Health System Project), Series 2009C (the "Series 2009C Bonds" and, together with the Series 2009A Bonds, the "Series 2009 Bonds"). Proceeds of the Series 2009A Bonds were used to (a) finance and refinance the cost of construction, renovation and equipping of various healthcare facilities for the Applicant's affiliate, Inova Health Care Services ("Inova Health Care"), at Inova Fairfax Hospital, including (i) the construction of a 995,000 square-foot addition, consisting of a medical/surgical patient tower and a facility dedicated to women's services, and construction of an addition to, and renovations of, the existing Inova Fairfax Hospital facilities, including relocation of hospital services, replacement of central mechanical, electrical, plumbing and air-handling systems, and construction and renovation related to redesigning traffic flow and parking; (ii) an approximately 22,000 square-foot expansion, renovation and equipping of the main pharmacy operation and support services; (iii) an approximately 6,600 square-foot renovation of the pediatric post-anesthesia care unit; and (iv) the replacement of the fire alarm system control panels and technology; (b) finance and refinance the construction, renovation and equipping for Inova Health Care at Inova Mount Vernon Hospital of: (i) an expansion of the first floor to create a single point of entry for outpatient services; (ii) an approximately 5,500 square-foot addition to the radiology department; (iii) renovations to the radiology department, patient registry, and emergency department; (iv) the expansion of surface parking; and (v) the replacement of the emergency power system including generators, paralleling gear and support panels; (c) finance and refinance for Inova Health Care the construction, renovation and equipping of an approximately 8,000 square-foot imaging suite on the ground floor of an Inova Fair Oaks Hospital medical office building; (d) finance and refinance for Inova Health Care the construction and equipping of an approximately 23,500 square-foot, 2-story central laboratory; (e) finance and refinance for Inova Health Care at Inova Fairfax Hospital, Inova Fair Oaks Hospital and Inova Mount Vernon Hospital, all or a portion of routine or miscellaneous capital improvements, equipment, additions and renovations; (f) refund a portion of the Industrial Development Authority of Fairfax County, Virginia's Health Care Revenue Refunding Bonds (Inova Health System Project), Series 2008 (the "Series 2008 Bonds") issued in the original principal amount of \$346,115,000, which bonds were issued for the purpose of refunding a portion of the Industrial Development Authority of Fairfax County, Virginia's Health Care Revenue Bonds (Inova Health System Project), Series 2005B, D and E (collectively referred to herein as the "Series 2005 Bonds") issued in the original principal amount of \$352,700,000, and paying a portion of the expenses incurred in connection with the authorization, issuance and sale of the Series 2008 Bonds; (g) fund a portion of interest accruing on the Series 2009 Bonds during the construction period and a reasonable period thereafter; and (h) pay certain expenses incurred in connection with the authorization, issuance and sale of the Series 2009 Bonds. Proceeds of the Series 2005 Bonds were used to (A) finance or refinance for Inova Alexandria Hospital all or a portion of the cost of (1) renovating and expanding certain portions of Inova Alexandria Hospital, including (a) the construction and equipping of 68,000 square feet of space, including a new 12-bed clinical decision unit in the emergency department, two additional operating rooms, additional space for the laboratory department and shell space, (b) the renovation and equipping of the cardiovascular interventional radiology area, and (c) the

renovation and equipping of surgical support areas, and (2) 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; (B) finance or refinance for Inova Health Care all or a portion of the cost of (1) renovating and expanding certain portions of Inova Fairfax Hospital, including (a) the construction of a 10-level, 2,350-space parking structure, (b) the construction and equipping of a three story, 86,000 square-foot support services building, which included new food receiving, preparation and delivery areas, a main loading dock, receiving and waste removal area, nonclinical administrative office areas and 10,000 square feet of mechanical and connector space, as well as vertical expansion capabilities, (c) the upgrading of the central power plant, (d) the construction and equipping of a steam, chilled water and utilities “loop” including an extension of the underground utilities tunnel from the Inova Heart Institute to the central power plant, and (e) the construction and equipping of food pantries throughout Inova Fairfax Hospital, and (2) acquiring certain capital equipment for use in or in connection with Inova Fairfax Hospital and renovating space necessary or incidental to the installation of such equipment; (C) finance or refinance for Inova Health Care all or a portion of the cost of (1) renovating and expanding certain portions of Inova Fair Oaks Hospital, including (a) the completion and equipping of 28,300 square feet of previously constructed shell space to house a new 36 bed general surgery inpatient unit to accommodate an additional 22 licensed beds, and (b) the construction and equipping of interventional radiology and CT scan facilities, which included the addition of a second treatment room and 2,850 square feet of new space with waiting and recovery rooms, physician offices, examination rooms, vascular ultrasound and storage areas and space for the relocation of the CT scan facility and the housing of a third high speed CT scanner, and (2) acquiring certain capital equipment for use in or in connection with Inova Fair Oaks Hospital and renovating space necessary or incidental to the installation of such equipment; (D) finance or refinance for Inova Health Care all or a portion of the cost of acquiring certain capital equipment for use in or in connection with Inova Mount Vernon Hospital and renovating space necessary or incidental to the installation of such equipment; (E) finance or refinance for Inova Health Care and/or its affiliates all or a portion of the cost of routine improvements to, and the acquisition of computer equipment, office equipment, network and telecommunications upgrades, clinical and financial systems and various infrastructure and application development systems for, the computer system facility in Fairfax, Virginia; (F) finance the cost of acquisition of certain healthcare assets, consisting primarily of the Loudoun Hospital Center (“Loudoun Hospital Center”), the proceeds of which sale were used by the seller thereof to defease (1) the \$67,785,000 Industrial Development Authority of Loudoun County, Virginia, Hospital Revenue Bonds (Loudoun Hospital Center), Series 1995 (the “Series 1995 Bonds”), the proceeds of which were used (a) to finance a portion of the cost of the acquisition, construction and equipping of an 80-bed replacement hospital facility (“Inova Loudoun Hospital”) and certain other capital projects located in Loudoun County, Virginia (collectively, the “1995 Loudoun Project”); (b) to pay the interest accruing on the Series 1995 Bonds allocable to the 1995 Loudoun Project; (c) to refund (i) the then outstanding Industrial Development Authority of Loudoun County, Virginia, Hospital Facility First Mortgage Revenue Bonds (Loudoun Memorial Hospital), Series 1980, issued in the original principal amount of \$7,200,000 to acquire certain equipment for and to make improvements to Inova Loudoun Hospital Center’s then existing acute care facility, and (ii) the then outstanding Industrial Development Authority of Loudoun County, Virginia, Hospital Revenue Bonds (Loudoun Hospital Center), Series 1990, issued in the original principal amount of \$10,000,000 to repay certain of Loudoun Hospital Center’s then existing taxable debt, to pay for improvements and equipment installed at Loudoun Hospital Center’s then existing facilities, and to pay for the

purchase of other medical facilities; (d) to fund a debt service reserve fund for the Series 1995 Bonds; and (e) to pay certain costs of issuance of the Series 1995 Bonds; and (2) the \$18,365,000 Industrial Development Authority of Loudoun County, Virginia, Hospital Revenue Bonds (Loudoun Hospital Center), Series 2002A (the “Series 2002A Bonds”), the proceeds of which were used to (a) finance a portion of the cost of certain projects at Inova Loudoun Hospital, including: (i) the construction and equipping of a 24-bed replacement maternity ward, (ii) the renovation and conversion of the then existing maternity ward to a 37-bed medical/surgical unit, and (iii) the renovation and expansion of the then existing emergency department; (b) fund a portion of the interest accruing on the Series 2002A Bonds; (c) fund a debt service reserve fund for the Series 2002A Bonds; and (d) pay certain costs of issuance of the Series 2002A Bonds; (G) refund the \$200,000,000 Industrial Development Authority of Fairfax County, Virginia, Health Care Revenue Bonds (Inova Health System Project), Series 2001 (the “Series 2001 Bonds”), the proceeds of which were used (1) to finance the costs of certain projects for Inova Health Care and its affiliates, including (a) internal renovations and acquiring routine medical and computer equipment for use at Inova Fairfax Hospital, Inova Fair Oaks Hospital and Inova Mount Vernon Hospital; (b) routine improvements to the computer system facility, including, but not limited to, network and telecommunications upgrades, clinical and financial systems, and various infrastructure and application development systems; (c) the following projects at Inova Fairfax Hospital: (i) the expansion and consolidation of the cardiology department, including the construction of a four-story building with basement parking known as the Inova Heart Institute to house 160 beds, cardiac catheterization laboratories, electrophysiology laboratories and non-invasive diagnostic laboratories; (ii) the renovation and expansion of the existing emergency department to increase the number of treatment areas, to accommodate a new walk-in entrance and ambulance dock and to add support space; (iii) the construction of a 980-space, five-level parking garage; and (iv) the renovation and reconfiguration of space vacated by the cardiology department upon the completion of the Inova Heart Institute to accommodate the expansion of inpatient, outpatient and ancillary support services; and (d) the following projects at Inova Fair Oaks Hospital: the renovation and expansion of the inpatient, ambulatory and emergency departments, including the construction of a four-story patient tower, the renovation of existing space, the restoration of the number of licensed beds to 160, an increase in the number of operating rooms, and the reorientation of the hospital campus to improve patient flow and access, with improvements including, but not limited to, additional parking, safer pedestrian access, reorientation of existing campus traffic patterns and improvements to Rugby Road; and (2) to pay certain expenses incurred in connection with the authorization, sale and issuance of the Series 2001 Bonds; (H) fund a portion of the interest accruing on the Series 2005 Bonds during the construction period and a reasonable period thereafter; and (I) pay certain expenses incurred in connection with the authorization, issuance and sale of the Series 2005 Bonds. Proceeds of the Series 2009C Bonds were used to current refund the Industrial Development Authority of Fairfax County, Virginia’s Health Care Revenue Refunding Bonds (Inova Health System Project), Series 1998A (the “Series 1998A Bonds”), the proceeds of which were used to: (A) current refund the Industrial Development Authority of Fairfax County, Virginia’s Variable Rate Demand Obligation Revenue and Refunding Bonds (Fairfax Hospital System), Series 1985A, the proceeds of which were used to: (1) acquire, construct and equip Inova Fair Oaks Hospital; (2) renovate Inova Fairfax Hospital and Inova Mount Vernon Hospital; (3) acquire equipment for use at Inova Fairfax Hospital and Inova Mount Vernon Hospital; (4) expand the base facility at Inova Fairfax Hospital; (5) construct and renovate the parking facilities at Inova Fairfax Hospital; and (6) advance refund the Industrial Development Authority of Fairfax County, Virginia’s Revenue Bonds (Fairfax Hospital Association Hospital System), Series A, the

proceeds of which were used to acquire the former Commonwealth Hospital; (B) current refund the Industrial Development Authority of Fairfax County, Virginia's Unit Priced Demand Adjustable Hospital Revenue Bonds (Inova Health System Hospitals Project), Series 1993B, the proceeds of which were used to: (1) finance the construction and equipping of an MRI Building and a child care center at Inova Fairfax Hospital; (2) finance the renovations to and the acquisition of equipment used at Inova Fairfax Hospital, Inova Mount Vernon Hospital and Inova Fair Oaks Hospital; and (3) finance computer hardware and software used in connection with the operation of such hospitals; and (C) pay costs incurred in connection with the authorization, issuance and sale of the Series 1998A Bonds.

Proceeds of the Series 2005C Bonds were used to (a) refund all or a portion of the Industrial Development Authority of Fairfax County, Virginia's outstanding Health Care Revenue Bonds, Series 1996A (the "Series 1996A Bonds"), and (b) pay certain expenses incurred in connection with the authorization, issuance and sale of the Series 1996A Bonds. Proceeds of the Series 1996A Bonds were used to (i) finance all or a portion of the costs of certain projects for Inova Health Care, including (a) the construction, renovation and equipping of the radiology and central pre-operative testing units at Inova Fairfax Hospital, (b) the renovation and equipping of the operating rooms and the cardiac/transplant monitors at Inova Fairfax Hospital, (c) the renovation and upgrading of the electro-physio laboratory, the electro-physio special procedures room and the kitchen and chiller plant facilities at Inova Fairfax Hospital, (d) the renovation and equipping of a storm water management system along with general facility upgrades to Inova Fairfax Hospital, (e) the renovation of the rehabilitation nursing unit and the ICU/CCU units at Inova Mount Vernon Hospital, (f) the renovation and upgrading of the electrical system at Inova Mount Vernon Hospital, (g) the renovation and upgrading of the MRI at Inova Mount Vernon Hospital, (h) the construction, renovation and equipping of the orthopedic operating room at Inova Mount Vernon Hospital, (i) the upgrading of patient care information systems at the Computer System Facility, Inova Fairfax Hospital and Inova Fair Oaks Hospital, (j) the renovation of the recovery rooms at Inova Fair Oaks Hospital, (k) the construction of emergency rooms at Inova Fair Oaks Hospital, (l) the purchase and installation of computer hardware and software at Inova Fairfax Hospital, Inova Mount Vernon Hospital, Inova Fair Oaks Hospital and the Computer System Facility, and (m) the purchase of equipment and routine renovations at Inova Fairfax Hospital, Inova Fair Oaks Hospital, Inova Mount Vernon Hospital and the Computer System Facility; and (ii) pay certain expenses incurred in connection with the issuance of the Series 1996A Bonds.

Proceeds of the Series 2000A Bonds were used to (i) finance the cost of the construction, acquisition and equipping of (a) Sunrise at Fair Oaks, a 92-unit, 112 resident assisted living facility located at Inova Fair Oaks Hospital, (b) Sunrise at Mount Vernon, a 92-unit, 112 resident assisted living facility located on the campus of Inova Mount Vernon Hospital, and (c) Sunrise at Willow Oaks, a 92-unit, 112 resident assisted living facility located adjacent to the campus of Inova Fairfax Hospital; (ii) finance the costs of internal renovation and the acquisition of hospital equipment at Inova Fairfax Hospital, Inova Mount Vernon Hospital and Inova Fair Oaks Hospital, including but not limited to cardiac and fetal monitors, linear accelerators, CT scanners and MRI's together with various radiology, laboratory, cardiac, oncology, rehabilitation, operating room, obstetric, pediatric, emergency room, trauma, cardiac catheterization, electro physiology and intensive care unit and security equipment, (iii) finance the cost of improvements to the Computer System Facility, (iv) fund a portion of the interest on the Series 2000A Bonds allocable to the Assisted Living Facilities, and (v) finance the costs of the issuance of the Series 2000A Bonds.

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

Inova Center for Personalized Health Campus is located at 3225 Gallows Road, Fairfax, Virginia 22031. Inova Fair Oaks Hospital is located at 3600 Joseph Siewick Drive, Fairfax, Virginia 22033. Inova Fairfax Hospital is located at 3300 Gallows Road, Falls Church, Virginia 22042. Inova Mount Vernon Hospital is located at 2501 Parker's Lane, Alexandria, Virginia 22306, all in Fairfax County, Virginia. Inova Alexandria Hospital is located at 4320 Seminary Road, Alexandria, Virginia 22304. Inova Loudoun Hospital is located at 44045 Riverside Parkway, Leesburg, Virginia 20176.

The Inova Center for Personalized Health Campus, Inova Fair Oaks Hospital, Inova Fairfax Hospital, Inova Mount Vernon Hospital and Inova Alexandria Hospital are owned and operated by Inova Health Care Services, which is controlled by Inova. Inova Loudoun Hospital is owned and operated by Loudoun Hospital Center. Inova Alexandria Hospital is operated by Inova Health Care Services.

Proceeds of the Bonds may also be used to (i) fund a debt service reserve fund(s) for the Bonds, if any, (ii) fund a portion of the interest accruing on the New Money Bonds during the construction period of the various projects to be financed and a reasonable period thereafter, and (iii) pay certain expenses incurred in connection with the authorization, issuance and sale of the Bonds.

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 June 19, 2018 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

June 5, 2018
June 12, 2018