



Legislation Details (With Text)

<b>File #:</b>	24-2160	<b>Name:</b>	Goodwin House IDA Bonds
<b>Type:</b>	Resolution	<b>Status:</b>	Agenda Ready
<b>File created:</b>	5/14/2024	<b>In control:</b>	City Council Legislative Meeting
<b>On agenda:</b>	5/28/2024	<b>Final action:</b>	
<b>Title:</b>	Consideration of a Resolution Authorizing the Issuance of Revenue Bonds by the Industrial Development Authority of the City of Alexandria for Goodwin House Incorporated [ROLL-CALL VOTE]		
<b>Sponsors:</b>			
<b>Indexes:</b>			
<b>Code sections:</b>			
<b>Attachments:</b>	1. 24-2160_Att 1 - City Council Resolution, 2. 24-2160_Att 2 - Notice and Certification of Public Hearing, 3. 24-2160_Att 3 - Resolution of the IDA, 4. 24-2160_Att 4 - TEFRA Package (Signatures to be obtained on Friday, May 17), 5. 24-2160_Signed Resolution		

Date	Ver.	Action By	Action	Result
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City of Alexandria, Virginia

MEMORANDUM

**DATE:** MAY 21, 2024

**TO:** THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

**FROM:** JAMES F. PARAJON, CITY MANAGER /s/

**DOCKET TITLE:**

Consideration of a Resolution Authorizing the Issuance of Revenue Bonds by the Industrial Development Authority of the City of Alexandria for Goodwin House Incorporated [ROLL-CALL VOTE]

**ISSUE:** Consideration of a resolution authorizing the issuance of revenue bonds by the Industrial Development Authority of the City of Alexandria (AIDA) in an amount not to exceed \$65,000,000 to assist Goodwin House Incorporated (the Borrower), a nonstock, 501(c)(3) corporation in 1) refinancing a portion of its outstanding debt, which outstanding debt refinanced various capital projects at the Borrower's continuing care retirement communities and financed certain other expenditures related to such debt, including costs of issuance and a debt service reserve, and 2) financing certain other expenditures associated with the foregoing to the extent financeable, which may include, without limitation, costs of issuance, capitalized interest, working capital, routine capital expenditures and a debt service reserve.

**RECOMMENDATION:** That City Council receive and adopt the attached Resolution (Attachment 1) as recommended by the AIDA.

**BACKGROUND:** On May 17, 2024, the AIDA passed a resolution (Attachment 3) authorizing the issuance of AIDA revenue bonds in an amount not to exceed \$65,000,000 for the purpose of assisting Goodwin House Incorporated with 1) refinancing a portion of its outstanding debt, which outstanding debt refinanced various capital projects at the Borrower's continuing care retirement communities known as Goodwin House Alexandria located at 4800 Fillmore Avenue, Alexandria, Virginia 22311 and Goodwin House Bailey's Crossroads located at 3440 South Jefferson Street, Falls Church, Virginia 22041, and financed certain other expenditures related to such debt, including without limitation, costs of issuance and a debt service reserve and 2) financing certain other expenditures associated with the foregoing to the extent financeable, which may include, without limitation, costs of issuance, capitalized interest, working capital, routine capital expenditures and a debt service reserve (collectively, the Plan of Finance).

**DISCUSSION:** On May 17, 2024, AIDA held a public hearing (Attachment 2) and considered a resolution (Attachment 3) authorizing and approving the issuance of the revenue bonds to assist the Borrower in undertaking the Plan of Finance. Section 147(f) of the Internal Revenue Code requires that the issuance of tax-exempt bonds by AIDA also be approved by City Council, and, therefore, AIDA has requested that City Council approve the bonds to be issued for the Plan of Finance. Attachment 4 are the signed and certified documents evidencing that all Tax Equity and Fiscal Responsibility Act or TEFRA public hearing requirements were met. A TEFRA hearing is a public inquiry required by the Internal Revenue Code of non-profit borrowers that intend to issue tax-exempt debt. The TEFRA hearing provides the public an opportunity to comment on the use of tax-exempt bond proceeds by the specific borrowing institution to finance or finance their capital needs.

**FISCAL IMPACT:** The AIDA has the authority under Virginia law to issue revenue bonds for certain nonstock, 501(c)(3) organizations and has done so frequently in the past. An administrative fee is charged to applicants for the bond financing. As such bonds are conduit revenue bonds, neither the City nor AIDA is obligated to repay the bonds or the interest on the bonds. The bonds do not contain any pledge of the City's faith and credit. The obligation rests solely with the Borrower.

**ATTACHMENTS:**

Attachment 1 - Proposed Council Resolution

Attachment 2 - Notice and Certification of Public Hearing

Attachment 3 - May 17, 2024, Resolution of the Industrial Development Authority of the  
City of Alexandria

Attachment 4 - TEFRA Package Signed and Certified on May 17, 2024

**STAFF:**

Kendel Taylor, Director of Finance

