



City of Alexandria

City Council Chambers at
Del Pepper Community
Resource Center
4850 Mark Center Drive
Alexandria, VA 22311

Legislation Text

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City of Alexandria, Virginia

MEMORANDUM

DATE: NOVEMBER 2, 2016

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: MARK B. JINKS, CITY MANAGER /s/

DOCKET TITLE:

Consideration of a Resolution Authorizing the Issuance of Revenue Bonds by the Industrial Development Authority of Alexandria for the Protestant Episcopal High School in Virginia. [ROLL-CALL VOTE]

ISSUE: Resolution authorizing the issuance of revenue bonds by the Alexandria Industrial Development Authority (AIDA) in an amount not to exceed \$16,000,000 to benefit The Protestant Episcopal High School (EHS) in financing the costs of improvements, additions and refunding to its Campus in the City of Alexandria.

RECOMMENDATION: That City Council adopt the attached Resolution (Attachment 1) as recommended by the Alexandria Industrial Development Authority (AIDA).

BACKGROUND: Episcopal High School, founded in 1839, is a private boarding school accredited by the Virginia Association of Independent Schools and the Southern Association of Colleges and Schools. Located at 1200 North Quaker Lane in the West End of Alexandria, the 130-acre campus is home to 435 students from 19 countries, 30 states, and the District of Columbia. EHS employs 68 full-time teaching faculty members, 90% of whom also live on campus.

DISCUSSION: On November 1, 2016, the AIDA held a public hearing (Attachment 2) and considered a resolution (Attachment 3) authorizing the issuance of AIDA revenue bonds in an amount not to exceed \$16,000,000 to (1) refund all or a portion of the outstanding principal amount of Series 2010A bonds, issued to assist the EHS in the acquisition, construction, equipping, expansion, renovation and enlargement of their gymnasium; (2) to finance the construction, equipping and renovation of Liggett Hall, located on the Campus; (3) to finance the construction, equipping, expansion and enlargement of faculty residences, which will all be located on the Campus; (4) to finance other capital improvements at the Campus; and (5) to finance, if and as needed, capitalized interest on the Bonds, a debt service reserve fund for the Bonds and costs of issuance related to the issuance of the Bonds (collectively items (1) through (5), the "Plan of Finance").

EHS will use the proceeds of this issuance to renovate Liggett Hall, an existing faculty residence and to

construct a new faculty residence. The proceeds will also be used to refund some portion of the Series 2010A bonds. All renovations and construction require separate review and permitting from the City of Alexandria, and while not expected to require action by City Council, the action to issue bonds is independent and separate from any land use or regulatory action. Nothing contained in the revenue bond resolution shall be construed to imply that any additional approvals will be granted or to bind the Council or the City in any way with respect to any additional approvals.

EHS regularly provides use of their athletic spaces for the greater City of Alexandria community, and improvements to these spaces will be funded through this issuance. The school also currently employs 170 full-time employees with an average annual salary of approximately \$70,000 and they estimate the value of goods and services purchased from Virginia companies within Alexandria annually is nearly \$3.5 million. Additional fiscal impact information is included as Attachment 4.

FISCAL IMPACT: The AIDA has the authority under State law to issue tax-exempt Industrial Revenue Bonds for certain nonprofit organizations and has done so frequently in the past. An administrative fee is charged to applicants for the bond financing and refinancing. The fees collected for these project are approximately \$35,000 and will be used by the Alexandria Economic Development Partnership (AEDP) for economic development projects and initiatives.

Since these are conduit revenue bonds, the AIDA, the City of Alexandria, and the Commonwealth of Virginia are not 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 Protestant Episcopal High School in Virginia.

ATTACHMENTS:

Attachment 1 - Proposed Council Resolution

Attachment 2 - Notice and Certification of Public Hearing

Attachment 3 - November 1, 2016 Resolution of the Industrial Development Authority of the
City of Alexandria

Attachment 4 - Fiscal Impact Statement

STAFF:

Laura Triggs, Deputy City Manager

Kendel Taylor, Director of Finance

Stephanie Landrum, President & CEO, Alexandria Economic Development Partnership