Legislation Details (With Text)

File #:	18-7781	**Name:**	INOVA IDA Resolution
Type:	Resolution	**Status:**	Agenda Ready
File created:	5/26/2018	**In control:**	City Council Legislative Meeting
On agenda:	6/26/2018	**Final action:**	
Title:	Consideration of a Resolution Approving the Issuance of Refunding Bonds by the Industrial Development Authority (IDA) of Fairfax County to assist Inova Health Systems (Inova) in refunding all or a portion of certain outstanding revenue bonds. [ROLL-CALL VOTE]		
Sponsors:			
Indexes:			
Code sections:			
Attachments:	1. 18-7781_Att 1 - Resolution, 2. 18-7781_Att 2 - Notice of Public Hearing, 3. 18-7781_Att 3 - ALEXANDRIA FISCAL IMPACT 2018, 4. 18-7781_Att 4 - IDA Resolution, 5. 18-7781_After Items		

Date	Ver.	Action By	Action	Result

City of Alexandria, Virginia

MEMORANDUM

DATE: JUNE 20, 2018

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

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

DOCKET TITLE:
Consideration of a Resolution Approving the Issuance of Refunding Bonds by the Industrial Development Authority (IDA) of Fairfax County to assist Inova Health Systems (Inova) in refunding all or a portion of certain outstanding revenue bonds. [ROLL-CALL VOTE]

ISSUE: Resolution approving the issuance of refunding bonds by the Industrial Development Authority (IDA) of Fairfax County to assist Inova Health Systems (Inova) in refunding all or a portion of certain outstanding revenue bonds.

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

BACKGROUND: In April 2009, the IDA of Fairfax County issued $355 million in bonds (2009 Bonds) so that Inova could refinance debt that was originally issued in 1995, 2001, and 2005 for a variety of hospital projects. In addition to facilities in Fairfax County, some of these projects were in Loudoun County and the City of Alexandria, including facilities at Inova Alexandria Hospital. When the original bonds were issued, the Loudoun Board of Supervisors and Alexandria City Council voted to approve the financing, as required by the Industrial Development Revenue Bond Act ("Act") and the Internal Revenue Code ("Code"). In 2012 and again in

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2016, when portions of the 2009 Bonds were advance refunded with the proceeds of bonds issued by the IDA of Fairfax County, the Loudoun Board of Supervisors and Alexandria City Council voted to approve the refinancing, as required by the Act and the Code. In 2017, the Virginia Small Business Financing Authority issued its Health Care Revenue Bonds (Inova Health System Project), Series 2017 (VSBFA Bonds) to refund all or a portion of the remaining outstanding maturities of the 2009 Bonds.

DISCUSSION: On June 19, 2018, the AIDA held a public hearing and considered a resolution (Attachment 4) concurring in and approving the issuance of tax-exempt bonds by the IDA of Fairfax County to assist Inova in financing certain facilities not located in the City of Alexandria and refunding certain bonds, including all or a portion of the outstanding amount of VSBFA Bonds.

Inova wishes to refinance all or a portion of the VSBFA Bonds in order to achieve present value savings.

The Code and the Act require that a public hearing be held in connection with the refunding of the VSBFA Bonds and that the issuance of the refunding bonds be approved by the governmental unit having jurisdiction over the area in which any facility receiving financing from such issue is located. Because the proceeds of the original bonds were used, in part, for facilities located in the City of Alexandria, City Council's approval is required for Inova to refinance at this time.

FISCAL IMPACT: None. The bonds to be issued by the IDA of Fairfax County and any costs associated with them will not be obligations of the AIDA, the City of Alexandria, or the Commonwealth of Virginia.

ATTACHMENTS:
Attachment 1 - Proposed Council Resolution
Attachment 2 - Notice of Public Hearing
Attachment 3 - Fiscal Impact Statement
Attachment 4 - June 19, 2018 Resolution of the Industrial Development Authority of the City of Alexandria

STAFF:
Laura Triggs, Deputy City Manager
Kendel Taylor, Director of Finance
Stephanie Landrum, President and CEO, Alexandria Economic Development Partnership