



Legislation Text

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City of Alexandria, Virginia

MEMORANDUM

DATE: MARCH 4, 2015

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: MARK B. JINKS, ACTING 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 the American Association of Physicists in Medicine (AAPM). [ROLL-CALL VOTE]

ISSUE: Resolution authorizing the issuance of revenue bonds by the Alexandria Industrial Development Authority (AIDA) in an amount not to exceed \$7,714,077 to assist the American Association of Physicists in Medicine (AAPM), a not-for-profit 501(c)(3) corporation to finance or refinance certain costs related to the acquisition, development, construction, furnishing and equipping of a new headquarters facility of approximately 12,364 square feet located at 1631-33 Prince Street, within an existing office condominium complex.

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

DISCUSSION: On February 19, 2015, the AIDA passed a resolution (Attachment 2) authorizing the issuance of AIDA revenue bonds in an amount not to exceed \$7,714,077 for the purpose of assisting the American Association of Physicists in Medicine (AAPM) to finance or refinance certain costs of (i) all or a portion of the acquisition, development, construction, furnishing and equipping of a new headquarters facility of 12,364 SF to be located in an existing office condominium complex located at 1631-33 Prince Street and other property functionally related and subordinate thereto; and (ii) financing bond issuance costs and other eligible expenditures.

AAPM is currently headquartered in owned office space located in College Park, Prince George's County, Maryland. After a search throughout the region, specifically focused on Washington, DC, Columbia, MD, College Park, MD and Alexandria, the AAPM leadership identified an existing office condominium at Prince Street Station as the best place to relocate their headquarters. AAPM cited the vast number of amenities around their new location and that the Old Town area is a greater draw for potential employees and presents a better

pool of potential candidates should they experience employee attrition or turnover. This move adds to Alexandria's vibrant association cluster, which is the fourth largest concentration of associations in the nation (only Washington, D.C., New York City and Chicago have more associations than Alexandria). Associations typically have an economic ripple effect as members and visitors utilize other businesses in the City, such as restaurants and hotel space. The AAPM estimates that their dollar value per year of goods and services purchased within Alexandria will be \$140,000.

AAPM's mission is to advance the science, education and professional practice of medical physics, a broad-based scientific and professional discipline that encompasses physical principles with applications in biology and medicine. AAPM comprises more than 8,400 members who focus on advancing patient care through education, improving safety and efficacy of radiation oncology and medical imaging procedures through research, and the maintenance of professional standards. Currently, AAPM has approximately 25 regular professional association employees, with an average annual salary of about \$90,000, who are expected to relocate to Alexandria.

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. The fee is used to partially fund the City-approved operating costs of AEDP. The AIDA will receive a fee of up to \$54,570 depending on the ultimate size of the bonds issue. The AAPM office condominium building and its furnishings and equipment will be fully taxable.

Since these are conduit revenue bonds, the City is 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 American Association of Physicists in Medicine. Under federal and State law, eligible non-profits such as this organization can avail themselves of tax-exempt financing for financing real property acquisition, if such non-profits finance their projects through public authorities such as the AIDA.

ATTACHMENT:

Attachment 1 - Proposed Council Resolution

Attachment 2 - February 19, 2015, Resolution of the Industrial Development Authority of the City of Alexandria

Attachment 3 - Notice and Certification of Public Hearing

Attachment 4 - AAPM's Fiscal Impact Statement

Attachment 5 - Transmission Letter from the Alexandria IDA to the City Council

Attachment 6 - Staff Presentation

STAFF:

Laura B. Triggs, Deputy City Manager

Kendel Taylor, Acting Director, Department of Finance

Stephanie Landrum, Executive Vice President and Chief Operating Officer, Alexandria Economic Development Partnership