

City of Alexandria, Virginia

21
9-10-02

MEMORANDUM

DATE: SEPTEMBER 3, 2002

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: PHILIP SUNDERLAND, CITY MANAGER ^S

SUBJECT: CONSIDERATION OF ENDORSEMENT BY CITY COUNCIL OF THE STATEWIDE GENERAL OBLIGATION HIGHER EDUCATION BOND REFERENDUM

ISSUE: At the request of the Mayor, consideration of endorsement by City Council of a resolution to endorse a general obligation higher education bond referendum to fund construction and renovation at colleges and universities through the Commonwealth.

RECOMMENDATION: That City Council approve the proposed general obligation higher education bond resolution (Attachment 1).

DISCUSSION: The 2002 Virginia General Assembly passed legislation to include a referendum on the November 5, 2002, ballot to allow voters to decide if the State should issue \$900.5 million in general obligation bonds to provide funding for construction and renovation projects at Virginia's colleges, universities (\$845.9 million) and State-supported museums and cultural agencies (\$54.6 million). George Mason University is slated to receive \$79.6 million and Northern Virginia Community College is slated to receive \$35 million in funding, including \$15.9 million for the Alexandria Campus of Northern Virginia Community College.

Since the financing for these projects will be issued in the form of general obligation bonds, it will be incorporated into the overall debt burden for the State and will increase the State's debt service payments slightly. This referendum represents the fourth time in Virginia history in which a general obligation bond referendum has been placed on the ballot and the first time in ten years. In addition, a \$119 million parks and natural areas bond referendum will also be on the ballot statewide in November. The State is taking advantage of current low interest rates, its triple-A bond ratings and available debt capacity to invest in higher education and parks and natural areas throughout the Commonwealth.

FISCAL IMPACT: None to the City government.

ATTACHMENT: General Obligation Bond Resolution

STAFF: Mark Jinks, Assistant City Manager
 Bernard Caton, Legislative Director
 Kendel Taylor, Budget Analyst, Office of Management and Budget

**GENERAL OBLIGATION HIGHER EDUCATION BOND ENDORSEMENT
RESOLUTION**

WHEREAS, the opportunity for Virginia citizens to have continued access to Virginia's institutions of higher education is dependent upon the Commonwealth's ability to provide appropriate facilities in which to offer quality education and training programs;

WHEREAS, Virginia voters will have the opportunity to approve a bond referendum on November 5 that will provide \$845.9 million to construct and renovate higher education facilities at colleges, universities and community colleges throughout Virginia, and \$54.6 million to construct and renovate museum facilities through the Commonwealth, totaling \$900.5 million;

WHEREAS, Virginia is anticipating an increase of 32,000 qualified high-school graduates over the next 8 years;

WHEREAS, space does not currently exist on Virginia's college campuses to accommodate these students, and without the passage of the bond, many qualified Virginia students may have to go out of state to school, or may not be able to attend at all;

WHEREAS, many buildings on Virginia's campuses are in urgent need of renovation to provide the quality academic environment needed by students to study effectively;

WHEREAS, Virginia colleges and universities are a critical source of research in the areas of medical science, engineering, biotechnology and other types of inquiry, and must have the state-of-the-art facilities required to support such research;

WHEREAS, tourism is Virginia's second largest industry, and its museums provide a vital component of that industry;

WHEREAS, the issuance of these bonds will not jeopardize Virginia's AAA bond ratings;

NOW, THEREFORE, BE IT RESOLVED that the Alexandria City Council endorses the passage of the referendum on the November 5, 2002, ballot authorizing the issuance of a general obligation bond of the Commonwealth of Virginia for \$900.5 million.

BE IT FURTHER RESOLVED that the Alexandria City Council encourages the voters of Virginia to vote "YES" on the question of whether the referendum should be approved.

ADOPTED: September 10, 2002

ATTEST:

BEVERLY I. JETT, CITY CLERK

KERRY J. DONLEY, MAYOR

RESOLUTION NO. 2040

GENERAL OBLIGATION HIGHER EDUCATION BOND ENDORSEMENT

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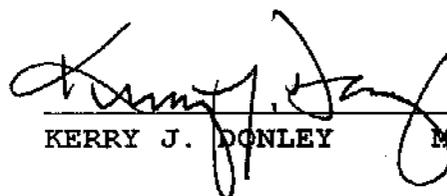
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Beverly I. Jett, CMC City Clerk