

City of Alexandria, Virginia

MEMORANDUM

DATE: JANUARY 14, 2005

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: JAMES K. HARTMANN, CITY MANAGER 

SUBJECT: RESOLUTION AUTHORIZING THE ISSUANCE OF BONDS BY THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE CITY OF ALEXANDRIA FOR GOODWIN HOUSE INCORPORATED

ISSUE: Resolution authorizing the issuance of bonds by the Industrial Development Authority of the City of Alexandria (AIDA) in an amount up to \$55,000,000 to assist Goodwin House Incorporated in financing the cost of expanding the existing café and the cost of equipment and capital goods at Goodwin House Alexandria, refinancing existing notes and financing the costs of the issuance of the bonds.

RECOMMENDATION: That City Council adopt the attached resolution (Attachment 1) as recommended by the AIDA at its meeting on January 11, 2005.

DISCUSSION: On January 11, 2005, the AIDA adopted a Resolution (Attachment 2) authorizing the issuance of up to \$55,000,000 in AIDA bonds to assist Goodwin House Incorporated in the following:

- Financing the cost of construction, renovation, expansion and equipping the existing café at Goodwin House Alexandria, a continuing care retirement facility owned and operated by Goodwin House Incorporated;
- Financing the cost of ongoing routine replacements and additions of equipment and other capital items at Goodwin House Alexandria;
- Refinancing all or a portion of two promissory notes issued in 1996 to the Alexandria Redevelopment and Housing Authority (ARHA) in the original aggregate principal amount of \$58,845,000, in connection with the issuance by ARHA of its Residential Care Facility First Mortgage Revenue Bonds (Goodwin House), Series 1996A and B. The Series A and B Bonds were used to (1) finance additions to Goodwin House Alexandria, and (2) refund certain bonds previously issued by ARHA to finance and refinance capital projects at Goodwin House Bailey's Crossroads; and
- The costs associated with the issuance of the bonds.

Goodwin House Incorporated is a not-for-profit, non-stock Virginia Corporation organized in 1955 by resolution of the Protestant Episcopal Church of the Dioceses of Virginia. The mission

of Goodwin House Incorporated is to support, honor and uplift the lives of older adults and the people who care for them through a faith-based nonprofit organization affiliated with the Episcopal Church. Goodwin House Incorporated admits residents of all faiths. Goodwin House Incorporated owns and operates two retirement communities that provide continuing care services: Goodwin House Alexandria and Goodwin House Bailey's Crossroads. Goodwin House Alexandria opened in 1967 and currently has 284 independent living apartments, 42 assisted living units and 80 nursing care beds. Goodwin House Bailey's Crossroads opened in 1987 and currently has 248 independent living apartments, 57 assisted living units and 70 nursing care beds.

Goodwin House Incorporated is exempted from property taxes in Alexandria. By agreement with the City, the organization makes an annual payment to the City in lieu of taxes. The payment for fiscal year 2005 will be approximately \$48,500.

In its thirty-seven year history of operating continuing care retirement communities, Goodwin House Incorporated has never asked a resident to leave due to inability to pay his or her bill. Through Goodwin House Foundation, Goodwin House Incorporated provided approximately \$638,000 of financial assistance for residents who otherwise could not afford to live in the organization's communities in fiscal year 2004. Approximately \$423,000 of this financial assistance was provided to residents of Goodwin House Alexandria.

FISCAL IMPACT: The AIDA has the authority under state law to issue tax exempt Industrial Revenue Bonds for certain non-profit organizations such as Goodwin House. An administrative fee is charged to applicants for the bond financing. The fee is used to partially fund the operating costs of the Alexandria Economic Development Partnership (AEDP).

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 Goodwin House Incorporated. The AIDA will receive a fee of \$62,262 to issue the bonds.

ATTACHMENTS:

Attachment 1: Proposed Council Resolution

Attachment 2: AIDA Certificate evidencing the conduct of the public hearing and action taken by AIDA

STAFF:

Mark Jinks, Assistant City Manager for Fiscal & Financial Affairs

D. A. Neckel, Director of Finance

Paula Riley, Executive Director, AEDP

**RESOLUTION OF THE
CITY COUNCIL OF THE CITY OF ALEXANDRIA, VIRGINIA**

WHEREAS, the Industrial Development Authority of the City of Alexandria (the "Authority") has considered the application of Goodwin House Incorporated, a not-for-profit Virginia nonstock corporation (the "Corporation"), for the issuance of the Authority's revenue bonds (the "Bonds") in an amount currently estimated not to exceed \$55,000,000, the proceeds of which are to be used for all or part of the following:

(a) Finance the costs of construction, renovation, expansion and equipping of the existing café at Goodwin House Alexandria, a continuing care retirement facility owned and operated by the Corporation;

(b) Finance the costs of ongoing routine replacements and additions of equipment and other capital items at Goodwin House Alexandria; and

(c) Refinance all or a portion of the Corporation's two promissory notes issued in 1996 to the Alexandria Redevelopment and Housing Authority ("ARHA") in the original aggregate principal amount of \$58,845,000 ("ARHA Notes") in connection with the issuance by the RHA of its Residential Care Facility First Mortgage Revenue Bonds (Goodwin House), Series 1996A and B to (1) finance additions to Goodwin House Alexandria, and (2) refund certain bonds previously issued by the RHA to finance and refinance capital projects at Goodwin House Bailey's Crossroads, a continuing care retirement facility in the City of Falls Church, Virginia owned and operated by the Corporation; and

WHEREAS, the Authority on January 11, 2005, held a public hearing on the issuance of the Bonds as required by Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), and Section 15.2-4906 of the Virginia Industrial Development and Revenue Bond Act, as amended (the "Act"); and

WHEREAS, the Authority has requested that the City Council ("Council") of the City of Alexandria ("City") approve the issuance of the Bonds to comply with Section 147(f) of the Code and Section 15.2-4906 of the Act; and

WHEREAS, the Bonds shall be limited obligations of the Authority payable solely from the revenues and monies pledged therefor, and neither the faith and credit nor the taxing power of the Commonwealth of Virginia nor any political subdivision thereof, including the City of Alexandria, Virginia, will be pledged to the payment of principal of the Bonds or the interest thereon or other costs incidental thereto; and

WHEREAS, a copy of the Authority's resolution approving the issuance of the Bonds, subject to terms to be agreed upon, a record of the public hearing and a "fiscal impact statement" with respect to the issuance of the Bonds have been filed with the Council.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ALEXANDRIA, VIRGINIA:

1. The Council hereby approves the issuance of the Bonds by the Authority in a principal amount not to exceed \$55,000,000 for the benefit of the Corporation to the extent required by Section 147(f) of the Code and Section 15.2-4906 of the Act, to permit the Authority to issue the Bonds for the purposes set forth above.\

2. The approval of the issuance of the Bonds does not constitute an endorsement of the Bonds or the creditworthiness of the Corporation. As required by Section 15.2-4909 of the Act, the Bonds shall provide that neither the City nor the Authority shall be obligated to pay the Bonds or the interest thereon or other costs incident thereto except from the revenues and moneys pledged therefor, and neither the faith and credit nor the taxing power of the Commonwealth of Virginia, the City or the Authority shall be pledged thereto.

3. This resolution shall take effect immediately upon its adoption.

CERTIFICATE

The undersigned Clerk of the City Council of the City of Alexandria, Virginia ("Council"), hereby certifies as follows:

1. A regular meeting of the Council was held on January 25, 2005, at which meeting the following duly elected members were present or absent:

PRESENT:

ABSENT:

2. Attached hereto is a true, correct and complete copy of a resolution adopted by a majority of the members of the Council present at such meeting.

3. The resolution has not been repealed, revoked, rescinded or amended, and is in full force and effect on the date hereof.

WITNESS the following signature this ____ day of January, 2005.

(SEAL)

Clerk, City Council of the City of Alexandria,
Virginia

CERTIFICATE OF PUBLIC HEARING

The undersigned Secretary of the Industrial Development Authority of the City of Alexandria (the "Authority"), hereby certifies as follows:

1. A special meeting of the Authority was duly called and held on January 11, 2005, at 5:00 o'clock, p.m., at the Alexandria Economic Development Partnership, Inc., 1729 King Street, Suite 410, Alexandria, Virginia. The meeting was open to the public, and persons of differing views were given an opportunity to be heard. At such meeting all of the Directors of the Authority were present or absent throughout as follows:

PRESENT:	Don Simpson, Sr.	Roger Machanic
	Randal Kell	Clinton Robinson
	Lois Walker	Mark Williams

ABSENT: Scott Humphrey

2. The Chairman announced the commencement of a public hearing on the application of Goodwin House Incorporated and that a notice of hearing was published once a week for two consecutive weeks, the first publication being not more than 28 days nor less than 14 days prior to the hearing in a newspaper having general circulation in the City of Alexandria, Virginia (the "Notice"). A copy of the Notice and a certificate of publication of such Notice have been filed with records of the Authority and are attached hereto as Exhibit (i).

3. The individuals identified in Exhibit (ii) appeared and addressed the Authority and a reasonably detailed summary of the statements made at the public hearing is included in Exhibit (ii). The fiscal impact statement required by the Industrial Development and Revenue Bond Act is attached hereto as Exhibit (iii).

4. Attached hereto as Exhibit (iv) is a true, correct and complete copy of a resolution (the "Resolution") adopted at such meeting of the Authority by the following vote of the Directors present and voting at such meeting, with the vote being recorded in the minutes of such meeting as follows:

<u>Director</u>	<u>Vote</u>
Don Simpson, Sr.	Abstained
Roger Machanic	Aye
Randal Kell	Aye
Clinton Robinson	Aye
Lois Walker	Aye
Mark Williams	Aye

The Resolution constitutes all formal action taken by the Authority at such meeting relating to matters referred to in the Resolution. The Resolution has not been repealed, revoked, rescinded or amended and is in full force and effect on the date hereof.

WITNESS my hand and the seal of the Authority this 11 day of January, 2005.


Secretary, Industrial Development Authority of
the City of Alexandria

(SEAL)

The Journal

The Northern Virginia Journal • The Maryland Journal

PROOF OF PUBLICATION

I, James McDonald Publisher of the Northern Virginia Journal, a newspaper in the area of Northern Virginia, published in the English language, and having a bona fide list of paid subscribers located in the Northern Virginia area, and entered in a newspaper of record according to the Laws and Regulations of the United States of America for 52 successive weeks or more prior to the issue of 12/28/04, certify that the notice of PROPOSED BOND FINANCING

for HUNTON & WILLIAMS LLP attached hereto has been published on 12/28/2004, 01/04/2005.



James McDonald

Sworn to and subscribed before me this 4th day of January, 2005.



My commission expires

My Commission Expires September 30, 2007

Ad number: 17503886
End date : 01/04/2005
12/28/2004, 01/04/2005
HUNTON & WILLIAMS LLP
CATHERINE MOSER

NOTICE OF PUBLIC HEARING BY THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE CITY OF ALEXANDRIA ON PROPOSED BOND FINANCING

Notice is hereby given that the Industrial Development Authority of the City of Alexandria (the "Authority") will hold a public hearing on the application of Goodwin House Incorporated (the "Corporation") for the Authority to issue, pursuant to the Virginia Industrial Development and Revenue Bond Act (the "Act"), its revenue bonds in an amount currently expected not to exceed \$35,000,000 (the "Bonds"). The Corporation is a not-for-profit Virginia notstock corporation with its corporate offices located at 4800 Fillmore Avenue, Alexandria, Virginia, and it owns and operates at such address a continuing care retirement facility known as Goodwin House Alexandria. The Corporation also operates a continuing care retirement facility in the City of Falls Church, Virginia, known as Goodwin House Bailey's Crossroads. The proceeds of the Bonds will be used for one or more of the following purposes:

- Finance the costs of construction, renovation and expansion of the existing care at Goodwin House Alexandria and acquisition of related equipment therefor;
- Finance the costs of ongoing routine replacements and additions of equipment and other capital items at Goodwin House Alexandria; and
- Refinance all or a portion of the Corporation's two promissory notes issued in 1995 to the Alexandria Redevelopment and Housing Authority (the "RHA") in the original aggregate principal amount of \$38,645,000 (the "RHA Notes") in connection with the issuance by the RHA of its Residential Care Facility First Mortgage Revenue Bonds (Goodwin House), Series 1995A and B to (1) finance additions to Goodwin House Alexandria, and (2) refund certain bonds previously issued by the RHA to finance and refinance capital projects at Goodwin House Bailey's Crossroads.

As required by the Act, the issuance of the Bonds as requested by the Corporation will not constitute a debt or pledge of the faith and credit of the Commonwealth of Virginia or the City of Alexandria, Virginia. Neither the Commonwealth of Virginia nor any political subdivision thereof, including the Authority and the City of Alexandria, Virginia, shall be obligated to pay the Bonds, or the interest thereon, or other costs incidental thereto, except from the revenues and monies pledged therefor, and neither the faith and credit nor the taxing power of the Commonwealth of Virginia nor any political subdivision thereof will be pledged to the payment of principal of the Bonds or the interest thereon or other costs incidental thereto.

The hearing will be part of the approval process with respect to the issuance of the Bonds, and, if following the hearing, the Authority approves the issuance, the City Council of Alexandria, Virginia, will then consider the issue for approval.

The public hearing, which may be continued or adjourned, will be held at 5:00 o'clock p.m. on January 11, 2005, before the Authority, at its offices at the Alexandria Economic Development Partnership, Inc., at 1729 King Street, Suite 410, Alexandria, Virginia. Any person interested in the issuance of the Bonds, the refinancing of the RHA Notes or the location or nature of the proposed projects may appear at the hearing and present his or her views or may send written comments before such hearing to the Authority, c/o the Secretary of the Authority, 1729 King Street, Suite 410, Alexandria, Virginia 22314. A copy of the application may be inspected at the offices of the Authority.

Industrial Development Authority of the City of Alexandria

December 28, 2004, January 4, 2005

NVA17503886hc

SUMMARY OF STATEMENTS MADE AT
PUBLIC HEARING CONDUCTED BY THE
INDUSTRIAL DEVELOPMENT AUTHORITY
OF CITY OF ALEXANDRIA
ON JANUARY 11, 2005, WITH RESPECT TO THE
APPLICATION OF GOODWIN HOUSE INCORPORATED
FOR AUTHORITY FINANCING

Martha A. Warthen, Esquire, of Hunton & Williams LLP, Bond Counsel, described the proposed bond issue and refunding and the required approval of the Authority. Kathleen S. Anderson, President and Chief Executive Officer of Goodwin House Incorporation, described its mission, its residents, its role in the community and the facilities operated by Goodwin House. Messrs. David C. Canfield and David W. Scruggs, Chairman and Chief Financial Officer, respectively, of Goodwin House Incorporated, described the projects for which financing is sought through the Authority and how it related to Goodwin House's programs. No members of the public spoke.

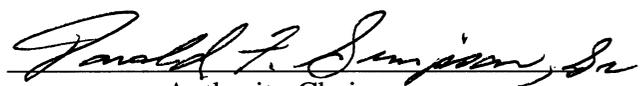
FISCAL IMPACT STATEMENT

January 11, 2005
Date

Goodwin House Incorporated
Applicant

Goodwin House Alexandria, Goodwin House Bailey's Crossroads
Facility

1.	Maximum amount of financing sought	\$55,000,000
2.	Estimated taxable value of the facility's real property to be constructed in the locality	N/A
3.	Estimated real property tax per year using present tax rates	N/A
4.	Estimated personal property tax per year using present tax rates	N/A
5.	Estimated merchants' capital tax per year using present tax rates	N/A
6.	a. Estimated dollar value per year of goods that will be purchased from Virginia companies within the locality	\$3,868,000
	b. Estimated dollar value per year of goods that will be purchased from non-Virginia companies within the locality	\$3,364,000
	c. Estimated dollar value per year of services that will be purchased from Virginia companies within the locality	\$3,231,000
	d. Estimated dollar value per year of services that will be purchased from non-Virginia companies within the locality	\$3,655,000
7.	Estimated number of regular employees on year round basis	630 people 519 full-time equivalents
8.	Average annual salary per employee	\$32,177 per full-time equivalent


Authority Chairman
Vice

Industrial Development Authority of the City of Alexandria
Name of Authority

**RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY
OF THE CITY OF ALEXANDRIA**

WHEREAS, there has been presented to the Industrial Development Authority of the City of Alexandria (the "Authority") the application of Goodwin House Incorporated (the "Corporation"), a not-for-profit Virginia nonstock corporation, for the Authority to assist the Corporation in its plans to (1) finance the costs of the construction, renovation, expansion and equipping of the existing café at Goodwin House Alexandria, a continuing care retirement facility owned and operated by the Corporation, (2) finance the costs of ongoing routine replacements and additions of equipment and other capital items at Goodwin House Alexandria (together with the project described in clause (1), the "Project") and (3) refinance all or a portion of the Corporation's two promissory notes issued in 1996 to the Alexandria Redevelopment and Housing Authority (the "RHA") in the original aggregate principal amount of \$58,845,000 (the "RHA Notes") in connection with the issuance by the RHA of its Residential Care Facility First Mortgage Revenue Bonds (Goodwin House), Series 1996A and B (the "1996 Bonds"); and

WHEREAS, the 1996 Bonds were issued to (1) finance additions to Goodwin House Alexandria, and (2) refund certain bonds previously issued by the RHA to finance and refinance capital projects at Goodwin House Bailey's Crossroads, a continuing care retirement facility in the City of Falls Church, Virginia owned and operated by the Corporation; and

WHEREAS, the Corporation in its appearance before and application to the Authority has described the Project and the proposed financing and has requested the Authority to agree to issue its revenue bonds (the "Bonds") under the Industrial Development and Revenue Bond Act, Chapter 49, Title 15.2, Code of Virginia of 1950, as amended (the "Act"), in a principal amount not to exceed \$55,000,000 without further approval of the Authority; and

WHEREAS, a public hearing has been held as required by Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), and Section 15.2-4906 of the Act; and

WHEREAS, the Bonds shall be limited obligations of the Authority payable solely from the revenues and monies pledged therefor, and neither the faith and credit nor the taxing power of the Commonwealth of Virginia nor any political subdivision thereof, including the City of Alexandria, Virginia, will be pledged to the payment of principal of the Bonds or the interest thereon or other costs incidental thereto; and

WHEREAS, the Bonds are expected to be issued as variable rate bonds secured by a letter of credit issued by a bank or other financial institution; and

WHEREAS, there have been presented to this meeting drafts of the following documents (the "Financing Documents"), which the Authority proposes to execute or approve to carry out the issuance and sale of the Bonds to finance the Project and refinance the RHA Notes, copies of which instruments shall be filed with the records of the Authority:

(a) A Limited Offering Memorandum (the "Offering Memorandum") to be used in the sale of the Bonds.

(b) Bond Purchase Agreement (the "Bond Purchase Agreement") between the Authority, the Corporation and B. C. Ziegler and Company d/b/a Ziegler Capital Markets Group, as Underwriter (the "Underwriter").

(c) Indenture of Trust (the "Indenture") between the Authority and a bank serving as bond trustee (the "Bond Trustee"), including the form of the Bonds.

(d) Loan Agreement (the "Loan Agreement") between the Authority and the Corporation.

(e) Corporation's promissory note to be issued in the principal amount of the aggregate principal amount of the Bonds (the "Note"), including the form of assignment thereof from the Authority to the Bond Trustee.

BE IT RESOLVED BY THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE CITY OF ALEXANDRIA:

1. It is hereby found and determined that the financing of the Project and the refinancing of the RHA Notes will be in the public interest of the City of Alexandria (the "City") and its environs and is consistent with the purposes of the Act, and will benefit the City and its inhabitants by providing for facilities for the residence and care of the aged and lowering the cost of improving and operating such facilities. The Authority hereby agrees to assist the Corporation by issuing the Bonds in an amount not to exceed \$55,000,000 without the further approval of the Authority, upon terms and conditions to be mutually agreed upon between the Authority and the Corporation as provided below, and subject to the requirements of the Act.

2. The Authority hereby authorizes the issuance of the Bonds pursuant to the Indenture, the sale of the Bonds to the Underwriter pursuant to the Bond Purchase Agreement and the loan of the proceeds of the Bonds to the Corporation pursuant to the Loan Agreement. The Bonds shall have such principal amounts and maturities, bear such date or dates, bear interest at such rate or rates, be payable at such times or times and sold in such manner and on such terms as approved by the Chairman or the Vice Chairman of the Authority, either of whom may act (the "Authorized Officers").

3. The Authorized Officers are each hereby authorized and directed to approve the final terms of the Bonds, including principal amount, maturities, interest rates and redemption prices, and the price at which the Underwriter shall purchase the Bonds; provided, however, that without further approval of the Authority (a) the aggregate maximum principal amount of the Bonds shall not exceed \$55,000,000, (b) no Bond shall mature beyond October 1, 2035, (c) the Bonds shall bear interest at rates as provided in the Indenture, provided the maximum variable rate shall not exceed 12%, and (d) no redemption premium shall exceed 103% of principal.

4. The Authorized Officers are each authorized to execute and deliver the Loan Agreement, the Indenture and the Bond Purchase Agreement (which may include additional firms as underwriters).

5. The Offering Memorandum and its use and distribution by the Underwriter and the remarketing agent for the Bonds is authorized and approved. The Offering Memorandum shall be in substantially the form submitted to this meeting, which is hereby approved, with such

completions, omissions, insertions and changes as the Authorized Officers and the Authority's counsel may approve. The distribution of the Offering Memorandum shall constitute conclusive evidence of the approval of the Authority of any such completions, omissions, insertions and changes.

6. The Authorized Officers are each hereby authorized and directed to accept from the Corporation the Note to evidence the Corporation's repayment obligation for the loan provided for in the Loan Agreement and to assign by endorsement and deliver the Note to the Bond Trustee as security for the Bonds.

7. The Authorized Officers are each hereby authorized and directed to execute the Bonds by manual or facsimile signature, and the Secretary of the Authority and the Assistant Secretary, either of whom may act, are authorized and directed to have the seal of the Authority affixed or printed thereon and to attest such seal by manual or facsimile signature. The officers of the Authority are authorized and directed to deliver the Bonds to the Bond Trustee for authentication and to cause the Bonds so executed and authenticated to be delivered to or for the account of the Underwriter upon terms provided in the Bond Purchase Agreement.

8. The Financing Documents and the Bonds shall be in substantially the forms submitted to this meeting, which are hereby approved, with such completions, omissions, insertions and changes that do not materially adversely affect the Authority's interests, as the executing officer of the Authority or the Authority's counsel may approve, with execution of any Financing Document constituting conclusive evidence of approval of any such completions, omissions, insertions and changes.

9. The officers of the Authority are hereby authorized and directed to execute, deliver and file all documents, certificates and instruments, including Internal Revenue Service Form 8038, on behalf of the Authority and to take all such further action as may be necessary or desirable in connection with the issuance and sale of the Bonds, the financing of the Project and the refinancing of the RHA Notes.

10. All other acts of the officers of the Authority that are in conformity with the purposes and intent of this resolution and in furtherance of the financing of the Project, the refinancing of the RHA Notes and the issuance and sale of the Bonds are hereby authorized, ratified and approved.

11. Any authorization herein to execute a document shall include authorization to record such document where appropriate and to deliver it to the other parties thereto.

12. At the request of the Corporation, the Authority hereby approves the selection of Hunton & Williams LLP as bond counsel to supervise the proceedings and approve the issuance of the Bonds. The Authority hereby consents to Hunton & Williams LLP's representation of the Corporation in connection with the issuance of the Bonds.

13. All costs and expenses in connection with the issuance of the Bonds, the financing of the Project and the refinancing of the RHA Notes, including the fees and expenses of bond counsel and the Authority's counsel, shall be paid from the proceeds of the Bonds to the extent allowed by law. If for any reason the Bonds are not issued or if the proceeds thereof cannot be

used to pay all such expenses, it is understood that all such costs and expenses shall be paid by the Corporation and that the Authority shall not have responsibility therefor.

14. The Corporation will pay fees of the Authority pursuant to the fee proposal previously provided by the Authority to the Corporation.

15. It having been represented to the Authority that it may be necessary to proceed immediately with the acquisition, construction, equipping and installation of all or part of the Project, the Authority hereby agrees that the Corporation may proceed with its plans, enter into contracts for such acquisition, construction, equipping and installation, and take such other steps as it may deem appropriate in connection therewith, provided that nothing herein shall be deemed to authorize the Corporation to obligate the Authority without its consent in each instance to the payment of any moneys or the performance of any acts in connection with the Project. The Authority agrees that the Corporation, to the extent permitted by law, may be reimbursed from the proceeds of the Bonds for all costs so incurred by it.

16. In adopting this resolution the Authority intends to evidence its "official intent" within the meaning of Treasury Regulations 1.150-2 promulgated under the Code that expenditures with respect to the Project made prior to the issuance of the Bonds may be reimbursed with proceeds of the Bonds.

17. The Authority hereby recommends that the City Council of the City of Alexandria, Virginia, approve the issuance of the Bonds as required by Section 147(f) of the Code and Section 15.2-4906 of the Act.

18. This resolution shall become effective immediately.

RESOLUTION NO. 2134

WHEREAS, the Industrial Development Authority of the City of Alexandria (the "Authority") has considered the application of Goodwin House Incorporated, a not-for-profit Virginia nonstock corporation (the "Corporation"), for the issuance of the Authority's revenue bonds (the "Bonds") in an amount currently estimated not to exceed \$55,000,000, the proceeds of which are to be used for all or part of the following:

(a) Finance the costs of construction, renovation, expansion and equipping of the existing café at Goodwin House Alexandria, a continuing care retirement facility owned and operated by the Corporation;

(b) Finance the costs of ongoing routine replacements and additions of equipment and other capital items at Goodwin House Alexandria; and

(c) Refinance all or a portion of the Corporation's two promissory notes issued in 1996 to the Alexandria Redevelopment and Housing Authority ("ARHA") in the original aggregate principal amount of \$58,845,000 ("ARHA Notes") in connection with the issuance by the RHA of its Residential Care Facility First Mortgage Revenue Bonds (Goodwin House), Series 1996A and B to (1) finance additions to Goodwin House Alexandria, and (2) refund certain bonds previously issued by ARHA to finance and refinance capital projects at Goodwin House Bailey's Crossroads, a continuing care retirement facility in the City of Falls Church, Virginia owned and operated by the Corporation; and

WHEREAS, the Authority on January 11, 2005, held a public hearing on the issuance of the Bonds as required by Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), and Section 15.2-4906 of the Virginia Industrial Development and Revenue Bond Act, as amended (the "Act"); and

WHEREAS, the Authority has requested that the City Council ("Council") of the City of Alexandria ("City") approve the issuance of the Bonds to comply with Section 147(f) of the Code and Section 15.2-4906 of the Act; and

WHEREAS, the Bonds shall be limited obligations of the Authority payable solely from the revenues and monies pledged therefor, and neither the faith and credit nor the taxing power of the Commonwealth of Virginia nor any political subdivision thereof, including the City of Alexandria, Virginia, will be pledged to the payment of principal of the Bonds or the interest thereon or other costs incidental thereto; and

WHEREAS, a copy of the Authority's resolution approving the issuance of the Bonds, subject to terms to be agreed upon, a record of the public hearing and a "fiscal impact statement" with respect to the issuance of the Bonds have been filed with the Council.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Alexandria:

1. The Council hereby approves the issuance of the Bonds by the Authority in a principal amount not to exceed \$55,000,000 for the benefit of the Corporation to the extent required by Section 147(f) of the Code and Section 15.2-4906 of the Act, to permit the Authority to issue the Bonds for the purposes set forth above.\

2. The approval of the issuance of the Bonds does not constitute an endorsement of the Bonds or the creditworthiness of the Corporation. As required by Section 15.2-4909 of the Act, the Bonds shall provide that neither the City nor the Authority shall be obligated to pay the Bonds or the interest thereon or other costs incident thereto except from the revenues and moneys pledged therefor, and neither the faith and credit nor the taxing power of the Commonwealth of Virginia, the City or the Authority shall be pledged thereto.

3. This resolution shall take effect immediately upon its adoption.

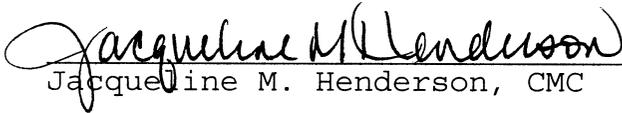
ADOPTED: January 25, 2005



WILLIAM D. EULLE

MAYOR

ATTEST:



Jacqueline M. Henderson, CMC City Clerk