

City of Alexandria, Virginia

9-12-06

MEMORANDUM

DATE: SEPTEMBER 7, 2006

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: JAMES K. HARTMANN, CITY MANAGER 8

SUBJECT: RESOLUTION APPROVING THE EXECUTION AND DELIVERY OF A COOPERATION AGREEMENT IN CONNECTION WITH THE ISSUANCE BY THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE COUNTY OF LOUDOUN, VIRGINIA OF ITS LEASE REVENUE BOND FOR THE BENEFIT OF THE NORTHERN VIRGINIA CRIMINAL JUSTICE TRAINING ACADEMY

ISSUE: Resolution approving the execution and delivery of a cooperation agreement in connection with the issuance by the Industrial Development Authority of the County of Loudoun, Virginia of lease revenue bonds for the benefit of the Northern Virginia Criminal Justice Training Academy.

RECOMMENDATION: That City Council:

- (1) Adopt the attached resolution (Attachment 1) and Cooperation Agreement (Attachment 2) authorizing: (a) the lease financing of an Emergency Vehicle Operations Center for the Northern Virginia Criminal Justice Training Academy on property in Prince William County owned by the Academy, (b) refinancing existing remaining indebtedness issued by the Industrial Development Authority of Loudoun County, Virginia previously issued for the acquisition of the Academy training facility in Loudoun County, (c) establishing a debt service reserve fund, if required, and (d) financing costs of issuance related to the project; and
- (2) Authorize the City Manager to execute the required documents on behalf of the City and take any other actions, as necessary, to accomplish the intended project and its financing.

BACKGROUND: At its June 27, 2006, legislative meeting Council approved a resolution authorizing the execution and delivery of a cooperation agreement in connection with the issuance by the Industrial Development Authority of the County of Loudoun of lease revenue bonds for the benefit of the Northern Virginia Criminal Justice Criminal Training Academy (Attachment 3). The purpose of the resolution was to enable the City of Alexandria and the Counties of Arlington

and Loudoun, the three principal member jurisdictions of the Academy, to serve as the official leasing entities for purposes of this financing, because of their excellent credit ratings. You will recall that the Academy and Prince William County (no longer a participant in the Northern Virginia Criminal Justice Training Academy) are constructing a driver training track for police and sheriff personnel on land in Prince William County jointly owned by the Academy and Prince William County.

In June it was the understanding of the members of the Academy that Prince William County would not be a participant in the financing, but would provide their financial contribution to the project by other means. This summer Prince William County representatives advised the Academy board that they did wish to be a participant in the financing. Therefore it is necessary for the governing bodies of the City of Alexandria, and the Counties of Arlington, Loudoun, and Prince William to adopt the attached resolution.

The City's share of the project remains the same (slightly less than 20%) since the participation of Prince William County in the financing has no bearing on the cost sharing for the project. Prince William County will continue to be responsible for 30% of the cost of the project with the remaining 70% of the costs shared by the members of the Northern Virginia Criminal Justice Training Academy.

DISCUSSION: Alexandria's police officers and deputy sheriffs receive their recruit training and much of their mandatory in-service training at the Northern Virginia Criminal Justice Training Academy, which is located in Loudoun County. The Academy, which was established in 1971, is governed by a board of directors made up of representatives from the member jurisdictions (the Cities of Alexandria, Fairfax, Falls Church, Manassas, and Manassas Park, the Counties of Arlington and Loudoun, the Towns of Leesburg and Purcellville, George Mason University, the Washington Metropolitan Airports Authority and the Washington Metropolitan Transit Authority. The City's members of the Board of Directors are Deputy City Manager Michele Evans, Interim Police Chief David Baker, and Sheriff Dana Lawhorne.

One of the major public safety training components is emergency vehicle operation and driver training. Since the Academy was established emergency vehicle and driver training has taken place at the Old Dominion Speedway in Manassas, a privately owned automobile racetrack. The Academy leases track time from the Speedway. Over the years there has been concern about the potential sale of the Speedway and the impact of this on the driver training program. In 1987 the Academy acquired 139 acres of land in Nokesville in Prince William County and had planned to relocate the Academy to the site. Instead in 1993, the Academy bought an office building at the intersection of Route 28 and Route 7 in Loudoun County. Driver training for law enforcement officers continued to take place at the Old Dominion Speedway.

The Academy subsequently sold a portion of the Nokesville property to Prince William County, and the County constructed a fire training academy and a police training academy on the land they bought from the Northern Virginia Criminal Justice Training Academy. The Academy retained

retained the remaining 88 acres of land for future use as an emergency vehicle operations center in anticipation of the time when the Old Dominion Speedway was sold and was no longer available for use by the Academy.

The owners of Old Dominion Speedway recently have notified the Academy that they intend to sell the property for development by December 2008 or earlier. As a result the Academy must move ahead with construction of an emergency vehicle operations center on the land in Nokesville.

The Academy will partner with Prince William County in this construction project. Although Prince William County is no longer a member of the Northern Virginia Criminal Justice Training Academy, as noted above, they operate their own training academy on the land adjacent to the Nokesville land owned by the Academy. The Academy maintains a strong and positive working relationship with Prince William County and its Police Department. This joint use will allow for cost sharing in construction and operation of the emergency vehicle operations center and its driver training programs. This will provide for more efficient use of the facility. The capital and operating costs are to be shared 70/30 based on usage with the Academy providing 70% and Prince William County providing the remaining 30%.

We expect the facility to include a 1.5 mile driving track, an urban course, a classroom, parking, and a fuel facility. In addition to recruit training, there would be in-service training for cruiser operations, vans, SUVs, wagons and motorcycles. The details of the project will be developed jointly with Prince William County.

In 1993 when the Academy acquired its Loudoun County administration and classroom facility, the Loudoun County Industrial Development Authority financed a \$6.5 million equity lease to purchase, renovate and equip the property. The governing bodies of the three principal member jurisdictions (The City of Alexandria and Arlington and Loudoun Counties which are all AAA/Aaa rated jurisdictions) approved the joint leasing of the property from the IDA and making it available to the Academy. While each of the Academy's members participated in paying a share of debt service of the new building, the three principal members were considered the "official" leasing entities, because their excellent credit ratings enabled the IDA to borrow at the lowest interest rates. After reviewing several financing alternatives with the Board's financial advisors, it was determined that the same financing mechanism (with Prince William County also becoming an "official" leasing entity) is the most effective and least costly vehicle for the financing of the Emergency Vehicle Operations Center.

As is typical with a multi-jurisdictional transaction like this, the four principal member jurisdictions would be jointly and severally liable for debt service, and would be making a "subject to appropriation" type of moral obligation pledge in order to give bond holders of the lease revenue bonds adequate assurance that debt service obligations will be honored and the bonds repaid. Also, as was the case in the financing of the Academy facility in 1993, while the four principal member jurisdictions are the only members who would make repayment pledges to

the lease revenue bond holders, all participants of the Academy plan on budgeting their individual shares of debt service on the new lease revenue bonds.

The Academy's 1993 debt is amortized through June 1, 2008. In an effort to simplify this transaction, the remaining balance of the prior debt (\$1,225,000) will be repaid with the funds in the existing debt service reserve fund (\$900,000) and the balance will be refinanced with the new issue. The IDA will issue lease revenue bonds for the new debt, and the debt will be secured by a leasehold interest in the project pursuant to a financing lease between the IDA and the Academy.

The governing bodies of Alexandria, Arlington, Loudoun and Prince William are being asked to approve resolutions approving the execution and delivery of cooperation agreements in connection with the issuance of the IDA Lease Revenue bonds for the Academy as the governing bodies of the three principal jurisdictions did in 1993.

FISCAL IMPACT: The City's contribution to the Northern Virginia Criminal Justice Training Academy is a line item in the budgets of the Police Department and the Office of Sheriff. The City's total share of the annual Academy budget is 19.85% and totals \$135,074. For the first two years of the 20 year debt service, the capital contribution would remain constant. In FY 2009, the City's contribution would increase by \$55,221 annually. The increase in capital contribution was delayed in order to give all jurisdictions time to program this increase into a future budget.

Prince William County's participation in the financing has no impact on the City's share of project costs.

We expect the bond issuance to be done by late October so that the construction project is able to get underway. The not to exceed amount in the attached resolution has been increased from \$16,500,000 to \$23,500,000 to provide flexibility in financing if the project gets delayed and if construction costs continue to escalate. The Academy Board has determined that any significant project costs over the \$16.5 million project estimate first would be addressed by value engineering and possible reductions in the scope of the project.

ATTACHMENTS:

Attachment 1. Resolution

Attachment 2. Cooperation Agreement

Attachment 3. June 27, 2006, docket memorandum

STAFF:

Michele Evans, Deputy City Manager

Mark Jinks, Deputy City Manager

David Baker, Interim Police Chief

Dana Lawhorne, Sheriff

**A RESOLUTION OF THE CITY COUNCIL OF THE
CITY OF ALEXANDRIA, VIRGINIA, APPROVING
THE EXECUTION AND DELIVERY OF A COOPERATION AGREEMENT IN
CONNECTION WITH THE ISSUANCE BY THE INDUSTRIAL DEVELOPMENT
AUTHORITY OF THE COUNTY OF LOUDOUN, VIRGINIA OF ITS
LEASE REVENUE BONDS FOR THE BENEFIT OF THE
NORTHERN VIRGINIA CRIMINAL JUSTICE TRAINING ACADEMY**

RECITALS

A. The Northern Virginia Criminal Justice Training Academy (the "Academy") presently owns, operates and maintains a regional criminal justice training academy and other public safety facilities serving the needs of the residents of the City of Alexandria, Virginia (the "City") and its other member jurisdictions.

B. The Authority has determined it to be advisable, necessary and in the best interests of the residents of the City to (i) finance the acquisition and construction of an emergency vehicle operations center located in Prince William County, Virginia (the "Leased Project"); (ii) refinance existing indebtedness originally issued to finance the Academy's training facility; and (iii) finance costs of issuance related thereto (collectively, the "Project") and to finance the Project by requesting the Industrial Development Authority of the County of Loudoun, Virginia (the "Authority") to issue its lease revenue bonds in one or more series in an aggregate principal amount not to exceed \$23,500,000 (the "Bonds") to be secured in part by a leasehold interest in the Leased Project pursuant to a financing lease (the "Financing Lease") between the Authority and the Academy, and if deemed appropriate, Prince William County, Virginia.

C. The City Council of the City (the "Council") has determined to undertake a non-binding obligation to consider certain appropriations in support of the rental payments under the Financing Lease to pay debt service on the Bonds and the Project conditioned upon the participation of the County Board of Arlington County, Virginia ("Arlington"), the Board of Supervisors, of Loudoun County, Virginia ("Loudoun") and the Board of County Supervisors of Prince William County, Virginia ("Prince William") in such non-binding obligation.

D. The foregoing arrangements will be reflected in a Cooperation Agreement, (the "Cooperation Agreement"), between the Council, Arlington, Loudoun, Prince William, the Authority and the Academy, the form of which has been presented to this meeting and filed with the City.

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

1. Approval of Cooperation Agreement. The Cooperation Agreement is approved in substantially the form presented to this meeting, with such changes, insertions or omissions as may be approved by the Mayor, whose approval shall be evidenced conclusively by the

execution and delivery of the Cooperation Agreement on the City's behalf; provided, however that the principal amount of Bonds the payment of which is supported by the Cooperation Agreement shall not exceed \$23,500,000 and the true interest cost on the Bonds shall not exceed 6.50%. The Mayor is authorized to execute and deliver the Cooperation Agreement and such other documents and certificates as such officer may consider necessary in connection therewith.

2. **No Pledge.** Nothing contained herein or in the Cooperation Agreement is or shall be deemed to be a lending of the credit of the City to the Authority, the Academy or to any holder of the Bonds or to any other person, and nothing herein contained is or shall be deemed to be a pledge of the faith and credit or the taxing power of the City, nor shall anything contained herein or in the Cooperation Agreement legally bind or obligate the Council to appropriate funds for the purposes described in the Cooperation Agreement.

3. **Further Actions; Authorized Representations.** All officers and agents of the Council and the City are authorized and directed to take such further actions in conformity with the purpose and intent of this Resolution as may be necessary or appropriate in connection with the issuance and sale by the Authority of the Bonds, the execution, delivery and recording of the Financing Lease, and the execution, delivery and performance of the Cooperation Agreement including the execution and delivery on behalf of the City of such instruments, documents or certificates as necessary or appropriate to carry out the transactions contemplated by this Resolution. All actions previously taken by such officers and agents in connection with the issuance and sale of the Bonds and the execution, delivery and recording of the Financing Lease are ratified and confirmed.

4. **Repeal of Conflicting Resolutions.** All resolutions are repealed to the extent they are inconsistent with this Resolution. Specifically, the similarly titled resolution of the Council adopted June 27, 2006 is repealed to the extent that it conflicts with the provisions of this Resolution which add Prince William as a party to the Cooperation Agreement and increase the maximum principal amount of Bonds which may be supported by the Cooperation Agreement from \$16,500,000 to \$23,500,000.

5. **Effective Date.** This Resolution shall take effect immediately; provided, however that the Cooperation Agreement shall not be executed and delivered on behalf of the City until Arlington, Loudoun and Prince William have authorized the execution of the Cooperation Agreement.

CERTIFICATE OF CLERK

The undersigned Clerk of the City Council of the City of Alexandria, Virginia, hereby certifies that:

1. A regular meeting (the "Meeting") of the City Council of the City of Alexandria, Virginia (the "Board"), was held on June 27, _____, 2006, at which the following members were present and absent:

PRESENT:

ABSENT:

2. A Resolution entitled "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ALEXANDRIA, VIRGINIA, APPROVING THE EXECUTION AND DELIVERY OF A COOPERATION AGREEMENT IN CONNECTION WITH THE ISSUANCE BY THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE COUNTY OF LOUDOUN, VIRGINIA OF ITS LEASE REVENUE BONDS FOR THE BENEFIT OF THE NORTHERN VIRGINIA CRIMINAL JUSTICE TRAINING ACADEMY" was duly adopted at the Meeting by the recorded affirmative roll-call vote of a majority of all of the members elected to the Council, the ayes and nays being recorded in the minutes of the Meeting as shown below:

MEMBER

VOTE

3. Attached hereto is a true and correct copy of the foregoing resolution as recorded in full in the minutes of the Meeting.

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

WITNESS my signature and the seal of the City of Alexandria, Virginia, this ____ day of June _____, 2006.

Clerk of the City Council
of the City of Alexandria, Virginia

[SEAL]

NORTHERN VIRGINIA CRIMINAL JUSTICE TRAINING ACADEMY
COOPERATION AGREEMENT

THIS NORTHERN VIRGINIA CRIMINAL JUSTICE TRAINING ACADEMY COOPERATION AGREEMENT (this "Agreement") is entered into as of _____, 2006 among the NORTHERN VIRGINIA CRIMINAL JUSTICE TRAINING ACADEMY, a public body corporate and politic of the Commonwealth of Virginia (the "Academy") and the CITY OF ALEXANDRIA, VIRGINIA, the COUNTY OF ARLINGTON, VIRGINIA, the COUNTY OF LOUDOUN, VIRGINIA, and the COUNTY OF PRINCE WILLIAM, each a political subdivision of the Commonwealth of Virginia (collectively, the "Principal Members").

RECITALS:

Pursuant to authority granted under Section 15.2-1747 of the Code of Virginia of 1950, as amended (the "Code"), the Principal Members, along with other governmental units (the "Members"), created the Academy to serve the criminal justice training needs of the Members.

The Academy proposes to (i) finance the acquisition and construction of a Emergency Vehicle Operations Center (the "Leased Project") on property to be owned by the Academy, (ii) refinance existing indebtedness issued by the Industrial Development Authority of Loudoun County, Virginia (the "Authority") previously issued for the benefit of the Academy, (iii) establish a debt service reserve fund, if required, and (iv) finance costs of issuance related thereto (collectively, the "Project").

The Academy proposes to finance the Project through the issuance of lease revenue bonds (the "Bonds") by the Authority to be secured in part by a leasehold interest in the Leased Project pursuant to a Financing Lease (the "Financing Lease") between the Academy and the Authority, and, if deemed appropriate by the Academy, Prince William County, Virginia.

The Academy has requested that the Principal Members undertake, subject to annual appropriation by the governing body of the Principal Members, to pay all amounts payable under the Financing Lease, including, but not limited to, rental payments sufficient to pay debt service on the Bonds when due.

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants and agreements herein contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Principal Members and the Academy do hereby agree as follows:

1. Recitals. The foregoing recitals are incorporated into and made a part of this Agreement as though they were fully set forth in this Section 1 and constitute the representations and understandings of the Principal Members and the Academy.

2. Academy Undertaking. The Academy agrees to lease the Leased Project to the Authority pursuant to a lease and lease the Leased Project back from the Authority pursuant to the Financing Lease.

3. Principal Members Undertakings. (a) The Principal Members agree jointly and severally to pay, subject to annual appropriation by the governing body of the respective Principal Member, to the Academy or to such other person or entity as may be designated by the Academy, all amounts payable by the Academy under the Financing Lease as they come due in accordance with the terms of the Financing Lease, provided that the aggregate principal amount payable under this Agreement shall not exceed \$23,500,000 and the true interest cost on the Bonds shall not exceed 6.50%. The amount payable hereunder shall be determined by the Academy upon issuance of the Bonds and communicated in writing to the Principal Members.

(b) Although recognizing that it is not empowered to make any binding commitment beyond the current fiscal year, the governing body of each of the Principal Members hereby states that it is its current intention to make sufficient annual appropriations during the term of this Agreement to make all payments described above and recommends that future governing bodies do likewise. Subject to paragraph 3(g) below, the City Manager, County Manager, County Administrator or County Executive, as appropriate, shall submit for each fiscal year a request to the governing body of the appropriate Principal Member for an appropriation to the Academy in addition to all other appropriations to the Academy for an amount equal to the interest on and all other amounts payable under the Financing Lease due in such fiscal year. Notwithstanding anything in this Agreement to the contrary, the Principal Members' obligations to make payments under this Agreement shall be subject to and dependent upon annual appropriations being made from time to time by the governing body of such Principal Members for such purpose. Nothing in this Agreement shall constitute a pledge of the full faith and credit of any of the Principal Members.

(c) Each Principal Member's approved budget for each fiscal year will be available from such Principal Member upon request.

(d) Each Principal Member agrees to notify the Authority and the Academy in the event its governing body fails to appropriate an amount sufficient to pay amounts payable hereunder by such Principal Member.

(e) If at any time during any fiscal year of the Principal Members, the amount appropriated in the budget of the Principal Members for the fiscal year is insufficient to pay when due all amounts payable under the Bonds, the City Manager, County Manager, County Administrator or County Executive, as appropriate shall submit to the governing bodies of the Principal Members at the next scheduled meeting of the appropriate governing body, or as promptly as practicable, but in any event within 45 days, a request for a supplemental appropriation sufficient to cover the deficit.

(f) Each Principal Member agrees to provide to the trustee for the Bonds (the "Trustee"), upon request, copies of such Principal Member's Comprehensive Annual Financial

Report, including audited financial statements within 220 days after the end of such Principal Member's fiscal years. Such information will also be available from the Nationally Recognized Municipal Securities Information Repositories.

(g) Notwithstanding anything herein to the contrary, the obligation of each Principal Member to include in its budget amounts necessary to make payments hereunder and to pay to the Academy any amounts appropriated shall be limited to one quarter of the amount required to make payments due under the Financing Lease as such amount is determined by or on behalf of the Academy (the "Debt Service Component") unless such Principal Member has received a Notice of Deficiency, as described below. The Academy shall give notice, or shall cause the Trustee to give notice, (the "Notice of Deficiency") to each of the Principal Members if any Principal Member fails to appropriate all or any portion of its share of the amount due hereunder. The Notice of Deficiency shall include the amount of the deficiency and a request to each Principal Member to appropriate and pay such amount to or at the direction of the Academy. Each Principal Member agrees that it will include the amount of any such deficiency in the amount requested under paragraph 3(b) or 3(e) above. In addition to the Debt Service Component, the Academy may include in the amount requested from each Principal Member an amount equal to such Principal Member's share of operating expenses (the "Operating Component"). The Academy may reduce the Operating Component billed to the Principal Members by the amount collected or to be collected from the Members, whether such amounts are paid as operating or debt service payments.

4. Assignment of Payments and Obligations. The Academy assigns the payments to be made by the Principal Members under this Agreement and the other obligations and undertakings of the Principal Members hereunder to the Trustee for the benefit of the registered owners of the Bonds and the Principal Members are directed to make payments hereunder directly to the Trustee pursuant to instructions furnished by the Academy.

5. Notices. Any notice, request, demand, instruction or other document required or permitted by the provisions of this Agreement to be given or served hereunder or under any document or instrument executed pursuant hereto shall be in writing and (i) sent by first class mail, (ii) personally delivered, (iii) telecopied or (iv) sent by a recognized overnight courier service to the Principal Members and/or the Academy:

If to the Authority:	45299 Research Place Ashburn, Virginia 20147 Fax: 703-729-4634 Attention: Truman D. Wilcox, Deputy Director
----------------------	--

If to the City of Alexandria, Virginia:	P. O. Box 178 301 King Street Alexandria, Virginia 22314 Fax: 703-838-6343 Attention: Michele Evans, Assistant City Manager
--	---

If to the County of
Arlington, Virginia:

Department of Management and Finance
2100 Clarendon Boulevard, Suite 501
#1 Courthouse Plaza
Arlington, Virginia 22201
Fax: 703-228-3401
Attention: Gus Vega, Senior Financial Analyst

If to the County of
Loudoun, Virginia:

1 Harrison Street, S.E., 4th Floor
Leesburg, Virginia 20177
Fax: 703-771-5234
Attention: Paul N. Arnett, Comptroller

If to the County of
Prince William, Virginia:

One County Complex Court
Dumfries, Virginia 22192
Fax: 703-792-6882
Attention: Christopher Martino, Finance Director

6. Term of Agreement. This Agreement shall remain in full force and effect until the Bonds have been paid in full.

7. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original and all of which together shall constitute but one and the same instrument.

8. Severability. If any clause, provision or section of this Agreement is held to be illegal or invalid by any court, the invalidity of the clause, provision or section will not affect any of the remaining clauses, provisions or sections, and this Agreement will be construed and enforced as if the illegal or invalid clause, provision or section has not been contained in it.

THE REMAINDER OF THIS PAGE IS LEFT INTENTIONALLY BLANK

IN WITNESS WHEREOF, the parties hereto have executed this Cooperation Agreement as of the date first above written.

NORTHERN VIRGINIA CRIMINAL JUSTICE
TRAINING ACADEMY

By: _____

Its: _____

CITY OF ALEXANDRIA, VIRGINIA

By: _____

Its: _____

COUNTY OF ARLINGTON, VIRGINIA

By: _____

Its: _____

COUNTY OF LOUDOUN, VIRGINIA

By: _____

Its: _____

COUNTY OF PRINCE WILLIAM, VIRGINIA

By: _____

Its: _____

EXHIBIT NO. 1

Attachment 3

37

6-27-06

City of Alexandria, Virginia

MEMORANDUM

DATE: JUNE 23, 2006

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: JAMES K. HARTMANN, CITY MANAGER *J*

SUBJECT: RESOLUTION APPROVING THE EXECUTION AND DELIVERY OF A COOPERATION AGREEMENT IN CONNECTION WITH THE ISSUANCE BY THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE COUNTY OF LOUDOUN, VIRGINIA OF ITS LEASE REVENUE BOND FOR THE BENEFIT OF THE NORTHERN VIRGINIA CRIMINAL JUSTICE TRAINING ACADEMY

ISSUE: Resolution approving the execution and delivery of a cooperation agreement in connection with the issuance by the Industrial Development Authority of the County of Loudoun, Virginia of lease revenue bonds for the benefit of the Northern Virginia Criminal Justice Training Academy.

RECOMMENDATION: That City Council:

- (1) Adopt the attached resolution authorizing: (a) the lease financing of an Emergency Vehicle Operations Center for the Northern Virginia Criminal Justice Training Academy on property in Prince William County owned by the Academy, (b) refinancing existing remaining indebtedness issued by the Industrial Development Authority of Loudoun County, Virginia previously issued for the acquisition of the Academy training facility in Loudoun County, (c) establishing a debt service reserve fund, if required, and (d) financing costs of issuance related to the project; and
- (2) Authorize the City Manager to execute the required documents on behalf of the City and take any other actions, as necessary, to accomplish the intended project and its financing.

DISCUSSION: Alexandria's police officers and deputy sheriffs receive their recruit training and much of their mandatory in-service training at the Northern Virginia Criminal Justice Training Academy, which is located in Loudoun County. The Academy, which was established in 1971, is governed by a board of directors made up of representatives from the member jurisdictions (the Cities of Alexandria, Fairfax, Falls Church, Manassas, and Manassas Park, the Counties of Arlington and Loudoun, the Towns of Leesburg and Purcellville, George Mason University, the

Washington Metropolitan Airports Authority and the Washington Metropolitan Transit Authority. The City's members of the Board of Directors are Deputy City Manager Michele Evans, Chief Charles Samarra, and Sheriff Dana Lawhorne.

One of the major public safety training components is emergency vehicle operation and driver training. Since the Academy was established emergency vehicle and driver training has taken place at the Old Dominion Speedway in Manassas, a privately owned automobile racetrack. The Academy leases track time from the Speedway. Over the years there has been concern about the potential sale of the Speedway and the impact of this on the driver training program. In 1987 the Academy acquired 139 acres of land in Nokesville in Prince William County and had planned to relocate the Academy to the site. Instead in 1993, the Academy bought an office building at the intersection of Route 28 and Route 7 in Loudoun County. Driver training for law enforcement officers continued to take place at the Old Dominion Speedway.

The Academy subsequently sold a portion of the Nokesville property to Prince William County, and the County constructed a fire training academy and a police training academy on the land they bought from the Northern Virginia Criminal Justice Training Academy. The Academy retained the remaining 88 acres of land for future use as an emergency vehicle operations center in anticipation of the time when the Old Dominion Speedway was sold and was no longer available for use by the Academy.

The owners of Old Dominion Speedway recently have notified the Academy that they intend to sell the property for development by December 2008. As a result the Academy must move ahead with construction of an emergency vehicle operations center on the land in Nokesville.

The Academy will partner with Prince William County in this construction project. Although Prince William County is no longer a member of the Northern Virginia Criminal Justice Training Academy, as noted above, they operate their own training academy on the land adjacent to the Nokesville land owned by the Academy. The Academy maintains a strong and positive working relationship with Prince William County and its Police Department. This joint use will allow for cost sharing in construction and operation of the emergency vehicle operations center and its driver training programs. This will provide for more efficient use of the facility. The capital and operating costs are to be shared 70/30 based on usage with the Academy providing 70% and Prince William County providing the remaining 30%.

The estimated cost of the emergency vehicle operations center is about \$16.5 million. We expect the facility to include a 1.5 mile driving track, an urban course, a classroom, parking, and a fuel facility. In addition to recruit training, there would be in-service training for cruiser operations, vans, SUVs, wagons and motorcycles. The details of the project will be developed jointly with Prince William County.

In 1993 when the Academy acquired its Loudoun County administration and classroom facility, the Loudoun County Industrial Development Authority financed a \$6.5 million equity lease to

purchase, renovate and equip the property. The governing bodies of the three principal member jurisdictions (The City of Alexandria and Arlington and Loudoun Counties which are all AAA/Aaa rated jurisdictions) approved the joint leasing of the property from the IDA and making it available to the Academy. While each of the Academy's members participated in paying a share of debt service of the new building, the three principal members were considered the "official" leasing entities, because their excellent credit ratings enabled the IDA to borrow at the lowest interest rates. After reviewing several financing alternatives with the Board's financial advisors, it was determined that the same financing mechanism is the most effective and least costly vehicle for the financing of the Emergency Vehicle Operations Center.

As is typical with a multi-jurisdictional transaction like this, the three principal member jurisdictions would be jointly and severally liable for debt service, and would be making a "subject to appropriation" type of moral obligation pledge in order to give bond holders of the lease revenue bonds adequate assurance that debt service obligations will be honored and the bonds repaid. Also, as was the case in the financing of the Academy facility in 1993, while the three principal member jurisdictions are the only members who would make repayment pledges to the lease revenue bond holders, all participants of the Academy plan on budgeting their individual shares of debt service on the new lease revenue bonds.

The Academy's 1993 debt is amortized through June 1, 2008. In an effort to simplify this transaction, the remaining balance of the prior debt (\$1,225,000) will be repaid with the funds in the existing debt service reserve fund (\$900,000) and the balance will be refinanced with the new issue. The IDA will issue lease revenue bonds for the new debt, and the debt will be secured by a leasehold interest in the project pursuant to a financing lease between the IDA and the Academy.

The governing bodies of Alexandria, Arlington and Loudoun are being asked to approve resolutions approving the execution and delivery of cooperation agreements in connection with the issuance of the IDA Lease Revenue bonds for the Academy as the governing bodies of the three principal jurisdictions did in 1993.

FISCAL IMPACT: The City's contribution to the Northern Virginia Criminal Justice Training Academy is a line item in the budgets of the Police Department and the Office of Sheriff. The City's total share of the annual Academy budget is 19.85% and totals \$135,074. For the first two years of the 20 year debt service, the capital contribution would remain constant. In FY 2009, the City's contribution would increase by \$55,221 annually. The increase in capital contribution was delayed in order to give all jurisdictions time to program this increase into a future budget. We expect the bond issuance to be done by mid-September so that the construction project is able to get underway.

ATTACHMENTS:

Attachment 1: Resolution

Attachment 2: Cooperation Agreement

STAFF:

Michele Evans, Deputy City Manager

Mark Jinks, Deputy City Manager

Charles Samarra, Police Chief

Dana Lawhorne, Sheriff

**A RESOLUTION OF THE CITY COUNCIL OF THE
CITY OF ALEXANDRIA, VIRGINIA, APPROVING
THE EXECUTION AND DELIVERY OF A COOPERATION AGREEMENT IN
CONNECTION WITH THE ISSUANCE BY THE INDUSTRIAL DEVELOPMENT
AUTHORITY OF THE COUNTY OF LOUDOUN, VIRGINIA OF ITS
LEASE REVENUE BONDS FOR THE BENEFIT OF THE
NORTHERN VIRGINIA CRIMINAL JUSTICE TRAINING ACADEMY**

RECITALS

A. The Northern Virginia Criminal Justice Training Academy (the "Academy") presently owns, operates and maintains a regional criminal justice training academy and other public safety facilities serving the needs of the residents of the City of Alexandria, Virginia (the "City") and its other member jurisdictions.

B. The Authority has determined it to be advisable, necessary and in the best interests of the residents of the City to (i) finance the acquisition and construction of an emergency vehicle operations center located in Prince William County, Virginia (the "Leased Project"); (ii) refinance existing indebtedness originally issued to finance the Academy's training facility; and (iii) finance costs of issuance related thereto (collectively, the "Project") and to finance the Project by requesting the Industrial Development Authority of the County of Loudoun, Virginia (the "Authority") to issue its lease revenue bonds in one or more series in an aggregate principal amount not to exceed \$16,500,000 (the "Bonds") to be secured in part by a leasehold interest in the Leased Project pursuant to a financing lease (the "Financing Lease") between the Authority and the Academy, and if deemed appropriate, Prince William County, Virginia.

C. The City Council of the City (the "Council") has determined to undertake a non-binding obligation to consider certain appropriations in support of the rental payments under the Financing Lease to pay debt service on the Bonds and the Project conditioned upon the participation of the County Board of Arlington County, Virginia ("Arlington") and the Board of Supervisors, of Loudoun County, Virginia ("Loudoun") in such non-binding obligation.

D. The foregoing arrangements will be reflected in a Cooperation Agreement, (the "Cooperation Agreement"), between the Council, Arlington, Loudoun, the Authority and the Academy, the form of which has been presented to this meeting and filed with the City.

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

1. **Approval of Cooperation Agreement.** The Cooperation Agreement is approved in substantially the form presented to this meeting, with such changes, insertions or omissions as may be approved by the Mayor, whose approval shall be evidenced conclusively by the execution and delivery of the Cooperation Agreement on the City's behalf; provided, however that the principal amount of Bonds the payment of which is supported by the Cooperation

Agreement shall not exceed \$16,500,000 and the true interest cost on the Bonds shall not exceed 6.50%. The Mayor is authorized to execute and deliver the Cooperation Agreement and such other documents and certificates as such officer may consider necessary in connection therewith.

2. **No Pledge.** Nothing contained herein or in the Cooperation Agreement is or shall be deemed to be a lending of the credit of the City to the Authority, the Academy or to any holder of the Bonds or to any other person, and nothing herein contained is or shall be deemed to be a pledge of the faith and credit or the taxing power of the City, nor shall anything contained herein or in the Cooperation Agreement legally bind or obligate the Council to appropriate funds for the purposes described in the Cooperation Agreement.

3. **Further Actions; Authorized Representations.** All officers and agents of the Council and the City are authorized and directed to take such further actions in conformity with the purpose and intent of this Resolution as may be necessary or appropriate in connection with the issuance and sale by the Authority of the Bonds, the execution, delivery and recording of the Financing Lease, and the execution, delivery and performance of the Cooperation Agreement including the execution and delivery on behalf of the City of such instruments, documents or certificates as necessary or appropriate to carry out the transactions contemplated by this Resolution. All actions previously taken by such officers and agents in connection with the issuance and sale of the Bonds and the execution, delivery and recording of the Financing Lease are ratified and confirmed.

4. **Repeal of Conflicting Resolutions.** All resolutions are repealed to the extent they are inconsistent with this Resolution.

5. **Effective Date.** This Resolution shall take effect immediately; provided, however that the Cooperation Agreement shall not be executed and delivered on behalf of the City until Arlington and Loudoun have authorized the execution of the Cooperation Agreement.

CERTIFICATE OF CLERK

The undersigned Clerk of the City Council of the City of Alexandria, Virginia, hereby certifies that:

1. A regular meeting (the "Meeting") of the City Council of the City of Alexandria, Virginia (the "Board"), was held on June 27, 2006, at which the following members were present and absent:

PRESENT:

ABSENT:

2. A Resolution entitled "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ALEXANDRIA, VIRGINIA, APPROVING THE EXECUTION AND DELIVERY OF A COOPERATION AGREEMENT IN CONNECTION WITH THE ISSUANCE BY THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE COUNTY OF LOUDOUN, VIRGINIA OF ITS LEASE REVENUE BONDS FOR THE BENEFIT OF THE NORTHERN VIRGINIA CRIMINAL JUSTICE TRAINING ACADEMY" was duly adopted at the Meeting by the recorded affirmative roll-call vote of a majority of all of the members elected to the Council, the ayes and nays being recorded in the minutes of the Meeting as shown below:

MEMBER

VOTE

3. Attached hereto is a true and correct copy of the foregoing resolution as recorded in full in the minutes of the Meeting.

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

WITNESS my signature and the seal of the City of Alexandria, Virginia, this ____ day of June, 2006.

Clerk of the City Council
of the City of Alexandria, Virginia

[SEAL]

-2- 8

- 21

NORTHERN VIRGINIA CRIMINAL JUSTICE TRAINING ACADEMY
COOPERATION AGREEMENT

THIS NORTHERN VIRGINIA CRIMINAL JUSTICE TRAINING ACADEMY COOPERATION AGREEMENT (this "Agreement") is entered into as of _____, 2006 among the NORTHERN VIRGINIA CRIMINAL JUSTICE TRAINING ACADEMY, a public body corporate and politic of the Commonwealth of Virginia (the "Academy") and the CITY OF ALEXANDRIA, VIRGINIA, the COUNTY OF ARLINGTON, VIRGINIA and the COUNTY OF LOUDOUN, VIRGINIA, each a political subdivision of the Commonwealth of Virginia (collectively, the "Principal Members").

RECITALS:

Pursuant to authority granted under Section 15.2-1747 of the Code of Virginia of 1950, as amended (the "Code"), the Principal Members, along with other governmental units (the "Members"), created the Academy to serve the criminal justice training needs of the Members.

The Academy proposes to (i) finance the acquisition and construction of a Emergency Vehicle Operations Center (the "Leased Project") on property to be owned by the Academy, (ii) refinance existing indebtedness issued by the Industrial Development Authority of Loudoun County, Virginia (the "Authority") previously issued for the benefit of the Academy, (iii) establish a debt service reserve fund, if required, and (iv) finance costs of issuance related thereto (collectively, the "Project").

The Academy proposes to finance the Project through the issuance of lease revenue bonds (the "Bonds") by the Authority to be secured in part by a leasehold interest in the Leased Project pursuant to a Financing Lease (the "Financing Lease") between the Academy and the Authority, and, if deemed appropriate by the Academy, Prince William County, Virginia.

The Academy has requested that the Principal Members undertake, subject to annual appropriation by the governing body of the Principal Members, to pay all amounts payable under the Financing Lease, including, but not limited to, rental payments sufficient to pay debt service on the Bonds when due.

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants and agreements herein contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Principal Members and the Academy do hereby agree as follows:

1. Recitals. The foregoing recitals are incorporated into and made a part of this Agreement as though they were fully set forth in this Section 1 and constitute the representations and understandings of the Principal Members and the Academy.

2. Academy Undertaking. The Academy agrees to lease the Leased Project to the Authority pursuant to a lease and lease the Leased Project back from the Authority pursuant to the Financing Lease.

3. Principal Members Undertakings. (a) The Principal Members agree jointly and severally to pay, subject to annual appropriation by the governing body of the respective Principal Member, to the Academy or to such other person or entity as may be designated by the Academy, all amounts payable by the Academy under the Financing Lease as they come due in accordance with the terms of the Financing Lease, provided that the aggregate principal amount payable under this Agreement shall not exceed \$16,500,000 and the true interest cost on the Bonds shall not exceed 6.50%. The amount payable hereunder shall be determined by the Academy upon issuance of the Bonds and communicated in writing to the Principal Members.

(b) Although recognizing that it is not empowered to make any binding commitment beyond the current fiscal year, the governing body of each of the Principal Members hereby states that it is its current intention to make sufficient annual appropriations during the term of this Agreement to make all payments described above and recommends that future governing bodies do likewise. ~~The~~Subject to paragraph 3(g) below, the City Manager, County Manager or County Administrator, as appropriate, shall submit for each fiscal year a request to the governing body of the appropriate Principal Member for an appropriation to the Academy in addition to all other appropriations to the Academy for an amount equal to the interest on and all other amounts payable under the Financing Lease due in such fiscal year. Notwithstanding anything in this Agreement to the contrary, the Principal Members' obligations to make payments under this Agreement shall be subject to and dependent upon annual appropriations being made from time to time by the governing body of such Principal Members for such purpose. Nothing in this Agreement shall constitute a pledge of the full faith and credit of any of the Principal Members.

(c) Each Principal Member's approved budget for each fiscal year will be available from such Principal Member upon request.

(d) Each Principal Member agrees to notify the Authority and the Academy in the event its governing body fails to appropriate an amount sufficient to pay amounts payable hereunder by such Principal Member.

(e) If at any time during any fiscal year of the Principal Members, the amount appropriated in the budget of the Principal Members for the fiscal year is insufficient to pay when due all amounts payable under the Bonds, the City Manager, County Manager or County Administrator, as appropriate shall submit to the governing bodies of the Principal Members at the next scheduled meeting of the appropriate governing body, or as promptly as practicable, but in any event within 45 days, a request for a supplemental appropriation sufficient to cover the deficit.

(f) Each Principal Member agrees to provide to the trustee for the Bonds (the "Trustee"), upon request, copies of such Principal Member's Comprehensive Annual Financial Report, including audited financial statements within 220 days after the end of such Principal

Member's fiscal years. Such information will also be available from the Nationally Recognized Municipal Securities Information Repositories.

(g) Notwithstanding anything herein to the contrary, the obligation of each Principal Member to include in its budget amounts necessary to make payments hereunder and to pay to the Academy any amounts appropriated shall be limited to one-third of the amount required to make payments due under the Financing Lease as such amount is determined by or on behalf of the Academy (the "Debt Service Component") unless such Principal Member has received a Notice of Deficiency, as described below. The Academy shall give notice, or shall cause the Trustee to give notice, (the "Notice of Deficiency") to each of the Principal Members if any Principal Member fails to appropriate all or any portion of its share of the amount due hereunder. The Notice of Deficiency shall include the amount of the deficiency and a request to each Principal Member to appropriate and pay such amount to or at the direction of the Academy. Each Principal Member agrees that it will include the amount of any such deficiency in the amount requested under paragraph 3(b) or 3(e) above. In addition to the Debt Service Component, the Academy may include in the amount requested from each Principal Member an amount equal to such Principal Member's share of operating expenses (the "Operating Component"). The Academy may reduce the Operating Component billed to the Principal Members by the amount collected or to be collected from the Members, whether such amounts are paid as operating or debt service payments.

4. Assignment of Payments and Obligations. The Academy assigns the payments to be made by the Principal Members under this Agreement and the other obligations and undertakings of the Principal Members hereunder to the Trustee for the benefit of the registered owners of the Bonds and the Principal Members are directed to make payments hereunder directly to the Trustee pursuant to instructions furnished by the Academy.

5. Notices. Any notice, request, demand, instruction or other document required or permitted by the provisions of this Agreement to be given or served hereunder or under any document or instrument executed pursuant hereto shall be in writing and (i) sent by first class mail, (ii) personally delivered, (iii) telecopied or (iv) sent by a recognized overnight courier service to the Principal Members and/or the Academy:

If to the Authority:

45299 Research Place
Ashburn, Virginia 20147
Fax: 703-729-4634
Attention: Truman D. Wilcox, Deputy Director

If to the City of
Alexandria, Virginia:

P. O. Box 178
301 King Street
Alexandria, Virginia 22314
Fax: 703-838-6343
Attention: Michele Evans, Assistant City Manager

If to the County of
Arlington, Virginia:

Department of Management and Finance
2100 Clarendon Boulevard, Suite 501
#1 Courthouse Plaza
Arlington, Virginia 22201
Fax: 703-228-3401
Attention: Gus Vega, Senior Financial Analyst

If to the County of
Loudoun, Virginia:

1 Harrison Street, S.E., 4th Floor
Leesburg, Virginia 20177
Fax: 703-771-5234
Attention: Paul N. Arnett, Comptroller

6. Term of Agreement. This Agreement shall remain in full force and effect until the Bonds have been paid in full.

7. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original and all of which together shall constitute but one and the same instrument.

8. Severability. If any clause, provision or section of this Agreement is held to be illegal or invalid by any court, the invalidity of the clause, provision or section will not affect any of the remaining clauses, provisions or sections, and this Agreement will be construed and enforced as if the illegal or invalid clause, provision or section has not been contained in it.

THE REMAINDER OF THIS PAGE IS LEFT INTENTIONALLY BLANK

IN WITNESS WHEREOF, the parties hereto have executed this Cooperation Agreement
as of the date first above written.

NORTHERN VIRGINIA CRIMINAL JUSTICE
TRAINING ACADEMY

By: _____

Its: _____

CITY OF ALEXANDRIA, VIRGINIA

By: _____

Its: _____

COUNTY OF ARLINGTON, VIRGINIA

By: _____

Its: _____

COUNTY OF LOUDOUN, VIRGINIA

By: _____

Its: _____

RESOLUTION NO. 2196

A RESOLUTION OF THE CITY COUNCIL OF THE
CITY OF ALEXANDRIA, VIRGINIA, APPROVING
THE EXECUTION AND DELIVERY OF A COOPERATION AGREEMENT IN
CONNECTION WITH THE ISSUANCE BY THE INDUSTRIAL DEVELOPMENT
AUTHORITY OF THE COUNTY OF LOUDOUN, VIRGINIA OF ITS
LEASE REVENUE BONDS FOR THE BENEFIT OF THE
NORTHERN VIRGINIA CRIMINAL JUSTICE TRAINING ACADEMY

RECITALS

A. The Northern Virginia Criminal Justice Training Academy (the "Academy") presently owns, operates and maintains a regional criminal justice training academy and other public safety facilities serving the needs of the residents of the City of Alexandria, Virginia (the "City") and its other member jurisdictions.

B. The Authority has determined it to be advisable, necessary and in the best interests of the residents of the City to (i) finance the acquisition and construction of an emergency vehicle operations center located in Prince William County, Virginia (the "Leased Project"); (ii) refinance existing indebtedness originally issued to finance the Academy's training facility; and (iii) finance costs of issuance related thereto (collectively, the "Project") and to finance the Project by requesting the Industrial Development Authority of the County of Loudoun, Virginia (the "Authority") to issue its lease revenue bonds in one or more series in an aggregate principal amount not to exceed \$16,500,000 (the "Bonds") to be secured in part by a leasehold interest in the Leased Project pursuant to a financing lease (the "Financing Lease") between the Authority and the Academy, and if deemed appropriate, Prince William County, Virginia.

C. The City Council of the City (the "Council") has determined to undertake a nonbinding obligation to consider certain appropriations in support of the rental payments under the Financing Lease to pay debt service on the Bonds and the Project conditioned upon the participation of the County Board of Arlington County, Virginia ("Arlington") and the Board of Supervisors, of Loudoun County, Virginia ("Loudoun") in such non-binding obligation.

D. The foregoing arrangements will be reflected in a Cooperation Agreement, (the "Cooperation Agreement"), between the Council, Arlington, Loudoun, the Authority and the Academy, the form of which has been presented to this meeting and filed with the City.

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

1. Approval of Cooperation Agreement. The Cooperation Agreement is approved in substantially the form presented to this meeting, with such changes, insertions or omissions as may be approved by the Mayor, whose approval shall be evidenced conclusively by the execution and delivery of the Cooperation Agreement on the City's behalf; provided, however that the principal amount of Bonds the payment of which is supported by the Cooperation Agreement shall not exceed \$16,500,000 and the true interest cost on the Bonds shall not exceed 6.50%. The Mayor is authorized to execute and deliver the Cooperation Agreement and such other documents and certificates as such officer may consider

necessary in connection therewith.

2. **No Pledge.** Nothing contained herein or in the Cooperation Agreement is or shall be deemed to be a lending of the credit of the City to the Authority, the Academy or to any holder of the Bonds or to any other person, and nothing herein contained is or shall be deemed to be a pledge of the faith and credit or the taxing power of the City, nor shall anything contained herein or in the Cooperation Agreement legally bind or obligate the Council to appropriate funds for the purposes described in the Cooperation Agreement.

3. **Further Actions; Authorized Representations.** All officers and agents of the Council and the City are authorized and directed to take such further actions in conformity with the purpose and intent of this Resolution as may be necessary or appropriate in connection with the issuance and sale by the Authority of the Bonds, the execution, delivery and recording of the Financing Lease, and the execution, delivery and performance of the Cooperation Agreement including the execution and delivery on behalf of the City of such instruments, documents or certificates as necessary or appropriate to carry out the transactions contemplated by this Resolution. All actions previously taken by such officers and agents in connection with the issuance and sale of the Bonds and the execution, delivery and recording of the Financing Lease are ratified and confirmed.

4. **Repeal of Conflicting Resolutions.** All resolutions are repealed to the extent they are inconsistent with this Resolution.

5. **Effective Date.** This Resolution shall take effect immediately; provided, however that the Cooperation Agreement shall not be executed and delivered on behalf of the City until Arlington and Loudoun have authorized the execution of the Cooperation Agreement.

ADOPTED: June 27, 2006


WILLIAM D. EUTLLE MAYOR

ATTEST:


Jacqueline M. Henderson, CMC City Clerk

CERTIFICATE OF CLERK

The undersigned Clerk of the City Council of the City of Alexandria, Virginia, hereby certifies that:

1. A regular meeting (the "Meeting") of the City Council of the City of Alexandria, Virginia (the "Board"), was held on June 27, 2006, at which the following members were present and absent:

PRESENT:

ABSENT:

2. A Resolution entitled "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ALEXANDRIA, VIRGINIA, APPROVING THE EXECUTION AND DELIVERY OF A COOPERATION AGREEMENT IN CONNECTION WITH THE ISSUANCE BY THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE COUNTY OF LOUDOUN, VIRGINIA OF ITS LEASE REVENUE BONDS FOR THE BENEFIT OF THE NORTHERN VIRGINIA CRIMINAL JUSTICE TRAINING ACADEMY" was duly adopted at the Meeting by the recorded affirmative roll-call vote of a majority of all of the members elected to the Council, the ayes and nays being recorded in the minutes of the Meeting as shown below:

MEMBER

VOTE

3. Attached hereto is a true and correct copy of the foregoing resolution as recorded in full in the minutes of the Meeting.

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

WITNESS my signature and the seal of the City of Alexandria, Virginia, this _ day of June, 2006.

Clerk of the City Council
of the City of Alexandria, Virginia

[SEAL]

RESOLUTION NO. 2202

A RESOLUTION OF THE CITY COUNCIL OF THE
CITY OF ALEXANDRIA, VIRGINIA, APPROVING
THE EXECUTION AND DELIVERY OF A COOPERATION AGREEMENT IN
CONNECTION WITH THE ISSUANCE BY THE INDUSTRIAL DEVELOPMENT
AUTHORITY OF THE COUNTY OF LOUDOUN, VIRGINIA OF ITS
LEASE REVENUE BONDS FOR THE BENEFIT OF THE
NORTHERN VIRGINIA CRIMINAL JUSTICE TRAINING ACADEMY

RECITALS

A. The Northern Virginia Criminal Justice Training Academy (the "Academy") presently owns, operates and maintains a regional criminal justice training academy and other public safety facilities serving the needs of the residents of the City of Alexandria, Virginia (the "City") and its other member jurisdictions.

B. The Authority has determined it to be advisable, necessary and in the best interests of the residents of the City to (i) finance the acquisition and construction of an emergency vehicle operations center located in Prince William County, Virginia (the "Leased Project"); (ii) refinance existing indebtedness originally issued to finance the Academy's training facility; and (iii) finance costs of issuance related thereto (collectively, the "Project") and to finance the Project by requesting the Industrial Development Authority of the County of Loudoun, Virginia (the "Authority") to issue its lease revenue bonds in one or more series in an aggregate principal amount not to exceed \$23,500,000 (the "Bonds") to be secured in part by a leasehold interest in the Leased Project pursuant to a financing lease (the "Financing Lease") between the Authority and the Academy, and if deemed appropriate, Prince William County, Virginia.

C. The City Council of the City (the "Council") has determined to undertake a non-binding obligation to consider certain appropriations in support of the rental payments under the Financing Lease to pay debt service on the Bonds and the Project conditioned upon the participation of the County Board of Arlington County, Virginia ("Arlington") and the Board of Supervisors, of Loudoun County, Virginia ("Loudoun") and the Board of County Supervisors of Prince William County, Virginia ("Prince William") in such non-binding obligation.

D. The foregoing arrangements will be reflected in a Cooperation Agreement, (the "Cooperation Agreement"), between the Council, Arlington, Loudoun, Prince William, the Authority and the Academy, the form of which has been presented to this meeting and filed with the City.

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

1. Approval of Cooperation Agreement. The Cooperation Agreement is approved in substantially the form presented to this meeting, with such changes, insertions or omissions as may be approved by the Mayor, whose approval shall be evidenced conclusively by the execution and delivery of the Cooperation Agreement on the City's behalf; provided, however that the principal amount of Bonds the payment of which is supported by the Cooperation Agreement shall not exceed \$23,500,000 and the true interest cost on the Bonds shall not exceed 6.50%. The Mayor is authorized to execute and deliver the Cooperation Agreement and such other documents and certificates as such officer may consider

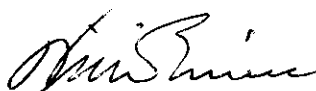
2. **No Pledge.** Nothing contained herein or in the Cooperation Agreement is or shall be deemed to be a lending of the credit of the City to the Authority, the Academy or to any holder of the Bonds or to any other person, and nothing herein contained is or shall be deemed to be a pledge of the faith and credit or the taxing power of the City, nor shall anything contained herein or in the Cooperation Agreement legally bind or obligate the Council to appropriate funds for the purposes described in the Cooperation Agreement.

3. **Further Actions; Authorized Representations.** All officers and agents of the Council and the City are authorized and directed to take such further actions in conformity with the purpose and intent of this Resolution as may be necessary or appropriate in connection with the issuance and sale by the Authority of the Bonds, the execution, delivery and recording of the Financing Lease, and the execution, delivery and performance of the Cooperation Agreement including the execution and delivery on behalf of the City of such instruments, documents or certificates as necessary or appropriate to carry out the transactions contemplated by this Resolution. All actions previously taken by such officers and agents in connection with the issuance and sale of the Bonds and the execution, delivery and recording of the Financing Lease are ratified and confirmed.

4. **Repeal of Conflicting Resolutions.** All resolutions are repealed to the extent they are inconsistent with this Resolution.
5. **Effective Date.** This Resolution shall take effect immediately; provided, however that the Cooperation Agreement shall not be executed and delivered on behalf of the City until Arlington and Loudoun have authorized the execution of the Cooperation Agreement.

5. **Effective Date.** This Resolution shall take effect immediately; provided, however that the Cooperation Agreement shall not be executed and delivered on behalf of the City until Arlington, Loudoun and Prince William have authorized the execution of the Cooperation Agreement.

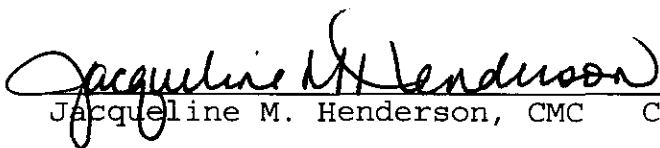
ADOPTED: September 12, 2006



WILLIAM D. EULLE

MAYOR

ATTEST:



Jacqueline M. Henderson, CMC City Clerk

CERTIFICATE OF CLERK

The undersigned Clerk of the City Council of the City of Alexandria, Virginia, hereby certifies that:

1. A regular meeting (the "Meeting") of the City Council of the City of Alexandria, Virginia (the "Board"), was held on June 27, 2006, at which the following members were present and absent:

PRESENT:

ABSENT

2. A Resolution entitled "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ALEXANDRIA, VIRGINIA, APPROVING THE EXECUTION AND DELIVERY OF A COOPERATION AGREEMENT IN CONNECTION WITH THE ISSUANCE BY THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE COUNTY OF LOUDOUN, VIRGINIA OF ITS LEASE REVENUE BONDS FOR THE BENEFIT OF THE NORTHERN VIRGINIA CRIMINAL JUSTICE TRAINING ACADEMY" was duly adopted at the Meeting by the recorded affirmative roll-call vote of a majority of all of the members elected to the Council, the ayes and nays being recorded in the minutes of the Meeting as shown below:

MEMBER

VOTE

3. Attached hereto is a true and correct copy of the foregoing resolution as recorded in full in the minutes of the Meeting.

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

WITNESS my signature and the seal of the City of Alexandria, Virginia, this _ day of June, 2006.

Clerk of the City Council
of the City of Alexandria, Virginia

[SEAL]

NORTHERN VIRGINIA CRIMINAL JUSTICE TRAINING ACADEMY
COOPERATION AGREEMENT

THIS NORTHERN VIRGINIA CRIMINAL JUSTICE TRAINING ACADEMY COOPERATION AGREEMENT (this "Agreement") is entered into as of _____, 2006 among the NORTHERN VIRGINIA CRIMINAL JUSTICE TRAINING ACADEMY, a public body corporate and politic of the Commonwealth of Virginia (the "Academy") and the CITY OF ALEXANDRIA, VIRGINIA, the COUNTY OF ARLINGTON, VIRGINIA, the COUNTY OF LOUDOUN, VIRGINIA, and the COUNTY OF PRINCE WILLIAM, each a political subdivision of the Commonwealth of Virginia (collectively, the "Principal Members").

RECITALS:

Pursuant to authority granted under Section 15.2-1747 of the Code of Virginia of 1950, as amended (the "Code"), the Principal Members, along with other governmental units (the "Members"), created the Academy to serve the criminal justice training needs of the Members.

The Academy proposes to (i) finance the acquisition and construction of a Emergency Vehicle Operations Center (the "Leased Project") on property to be owned by the Academy, (ii) refinance existing indebtedness issued by the Industrial Development Authority of Loudoun County, Virginia (the "Authority") previously issued for the benefit of the Academy, (iii) establish a debt service reserve fund, if required, and (iv) finance costs of issuance related thereto (collectively, the "Project").

The Academy proposes to finance the Project through the issuance of lease revenue bonds (the "Bonds") by the Authority to be secured in part by a leasehold interest in the Leased Project pursuant to a Financing Lease (the "Financing Lease") between the Academy and the Authority, and, if deemed appropriate by the Academy, Prince William County, Virginia.

The Academy has requested that the Principal Members undertake, subject to annual appropriation by the governing body of the Principal Members, to pay all amounts payable under the Financing Lease, including, but not limited to, rental payments sufficient to pay debt service on the Bonds when due.

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants and agreements herein contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Principal Members and the Academy do hereby agree as follows:

1. Recitals. The foregoing recitals are incorporated into and made a part of this Agreement as though they were fully set forth in this Section 1 and constitute the representations and understandings of the Principal Members and the Academy.

2. Academy Undertaking. The Academy agrees to lease the Leased Project to the Authority pursuant to a lease and lease the Leased Project back from the Authority pursuant to the Financing Lease.

3. Principal Members Undertakings. (a) The Principal Members agree jointly and severally to pay, subject to annual appropriation by the governing body of the respective Principal Member, to the Academy or to such other person or entity as may be designated by the Academy, all amounts payable by the Academy under the Financing Lease as they come due in accordance with the terms of the Financing Lease, provided that the aggregate principal amount payable under this Agreement shall not exceed \$23,500,000 and the true interest cost on the Bonds shall not exceed 6.50%. The amount payable hereunder shall be determined by the Academy upon issuance of the Bonds and communicated in writing to the Principal Members.

(b) Although recognizing that it is not empowered to make any binding commitment beyond the current fiscal year, the governing body of each of the Principal Members hereby states that it is its current intention to make sufficient annual appropriations during the term of this Agreement to make all payments described above and recommends that future governing bodies do likewise. Subject to paragraph 3(g) below, the City Manager, County Manager, County Administrator or County Executive, as appropriate, shall submit for each fiscal year a request to the governing body of the appropriate Principal Member for an appropriation to the Academy in addition to all other appropriations to the Academy for an amount equal to the interest on and all other amounts payable under the Financing Lease due in such fiscal year. Notwithstanding anything in this Agreement to the contrary, the Principal Members' obligations to make payments under this Agreement shall be subject to and dependent upon annual appropriations being made from time to time by the governing body of such Principal Members for such purpose. Nothing in this Agreement shall constitute a pledge of the full faith and credit of any of the Principal Members.

(c) Each Principal Member's approved budget for each fiscal year will be available from such Principal Member upon request.

(d) Each Principal Member agrees to notify the Authority and the Academy in the event its governing body fails to appropriate an amount sufficient to pay amounts payable hereunder by such Principal Member.

(e) If at any time during any fiscal year of the Principal Members, the amount appropriated in the budget of the Principal Members for the fiscal year is insufficient to pay when due all amounts payable under the Bonds, the City Manager, County Manager, County Administrator or County Executive, as appropriate shall submit to the governing bodies of the Principal Members at the next scheduled meeting of the appropriate governing body, or as promptly as practicable, but in any event within 45 days, a request for a supplemental appropriation sufficient to cover the deficit.

(f) Each Principal Member agrees to provide to the trustee for the Bonds (the "Trustee"), upon request, copies of such Principal Member's Comprehensive Annual Financial

Report, including audited financial statements within 220 days after the end of such Principal Member's fiscal years. Such information will also be available from the Nationally Recognized Municipal Securities Information Repositories.

(g) Notwithstanding anything herein to the contrary, the obligation of each Principal Member to include in its budget amounts necessary to make payments hereunder and to pay to the Academy any amounts appropriated shall be limited to one quarter of the amount required to make payments due under the Financing Lease as such amount is determined by or on behalf of the Academy (the "Debt Service Component") unless such Principal Member has received a Notice of Deficiency, as described below. The Academy shall give notice, or shall cause the Trustee to give notice, (the "Notice of Deficiency") to each of the Principal Members if any Principal Member fails to appropriate all or any portion of its share of the amount due hereunder. The Notice of Deficiency shall include the amount of the deficiency and a request to each Principal Member to appropriate and pay such amount to or at the direction of the Academy. Each Principal Member agrees that it will include the amount of any such deficiency in the amount requested under paragraph 3(b) or 3(e) above. In addition to the Debt Service Component, the Academy may include in the amount requested from each Principal Member an amount equal to such Principal Member's share of operating expenses (the "Operating Component"). The Academy may reduce the Operating Component billed to the Principal Members by the amount collected or to be collected from the Members, whether such amounts are paid as operating or debt service payments.

4. Assignment of Payments and Obligations. The Academy assigns the payments to be made by the Principal Members under this Agreement and the other obligations and undertakings of the Principal Members hereunder to the Trustee for the benefit of the registered owners of the Bonds and the Principal Members are directed to make payments hereunder directly to the Trustee pursuant to instructions furnished by the Academy.

5. Notices. Any notice, request, demand, instruction or other document required or permitted by the provisions of this Agreement to be given or served hereunder or under any document or instrument executed pursuant hereto shall be in writing and (i) sent by first class mail, (ii) personally delivered, (iii) telecopied or (iv) sent by a recognized overnight courier service to the Principal Members and/or the Academy:

If to the Authority:	45299 Research Place Ashburn, Virginia 20147 Fax: 703-729-4634 Attention: Truman D. Wilcox, Deputy Director
----------------------	--

If to the City of Alexandria, Virginia:	P. O. Box 178 301 King Street Alexandria, Virginia 22314 Fax: 703-838-6343 Attention: Michele Evans, Assistant City Manager
--	---

If to the County of
Arlington, Virginia:

Department of Management and Finance
2100 Clarendon Boulevard, Suite 501
#1 Courthouse Plaza
Arlington, Virginia 22201
Fax: 703-228-3401
Attention: Gus Vega, Senior Financial Analyst

If to the County of
Loudoun, Virginia:

1 Harrison Street, S.E., 4th Floor
Leesburg, Virginia 20177
Fax: 703-771-5234
Attention: Paul N. Arnett, Comptroller

If to the County of
Prince William, Virginia:

One County Complex Court
Dumfries, Virginia 22192
Fax: 703-792-6882
Attention: Christopher Martino, Finance Director

6. Term of Agreement. This Agreement shall remain in full force and effect until the Bonds have been paid in full.

7. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original and all of which together shall constitute but one and the same instrument.

8. Severability. If any clause, provision or section of this Agreement is held to be illegal or invalid by any court, the invalidity of the clause, provision or section will not affect any of the remaining clauses, provisions or sections, and this Agreement will be construed and enforced as if the illegal or invalid clause, provision or section has not been contained in it.

THE REMAINDER OF THIS PAGE IS LEFT INTENTIONALLY BLANK

IN WITNESS WHEREOF, the parties hereto have executed this Cooperation Agreement
as of the date first above written.

NORTHERN VIRGINIA CRIMINAL JUSTICE
TRAINING ACADEMY

By: _____

Its: _____

CITY OF ALEXANDRIA, VIRGINIA

By: _____

Its: _____

COUNTY OF ARLINGTON, VIRGINIA

By: _____

Its: _____

COUNTY OF LOUDOUN, VIRGINIA

By: _____

Its: _____

COUNTY OF PRINCE WILLIAM, VIRGINIA

By: _____

Its: _____