

City of Alexandria, Virginia

MEMORANDUM

DATE: NOVEMBER 8, 2010

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 THE NATIONAL HOSPICE AND PALLIATIVE CARE ORGANIZATION

ISSUE: Resolution authorizing the issuance of bonds by the Industrial Development Authority of the City of Alexandria (AIDA) in an amount not to exceed \$7,000,000 to assist the National Hospice and Palliative Care Organization (NHPCO) in financing the purchase of an office condominium near the King Street Metro Station.

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

DISCUSSION: On November 8, 2010, the AIDA considered a resolution (Attachment 2) authorizing the issuance of AIDA revenue bonds in an amount not to exceed \$7,000,000 to be issued pursuant to a plan to finance the purchase of a 16,955 square foot office condominium near the King Street Metro Station, which currently houses the headquarters of the National Hospice and Palliative Care Organization (NHPCO) and which NHPCO has been leasing from 1731 King Street, LLC since July 23, 2008. NHPCO currently has 60 employees at this location.

The project will not involve either construction or equipment purchases. The bond proceeds will be used for the following:

Land	\$2.20 million
Building	4.40 million
Bond discount and cost of finance	<u>0.14 million</u>
Face amount of issue	\$7.00 million

NHPCO is a not-for-profit 501(c)3 organization representing hospice and palliative care programs and professionals in the United States. The organization advocates for terminally ill patients and their families; develops public and professional educational programs and materials; provides technical informational resources to its membership; conducts research; monitors Congressional and regulatory activities; and works closely with other organizations on issues related to end-of-life care.

FISCAL IMPACT: The AIDA has the authority under State law to issue tax-exempt Industrial Revenue Bonds for certain nonprofit organizations and has done so frequently in the past. An administrative fee is charged to applicants for the bond financing. The fee is used to partially fund the operating costs of the Alexandria Economic Development Partnership (AEDP). The AIDA will receive a fee of up to \$52,500 to issue the bonds.

Since these are conduit revenue bonds, the City is not obligated to repay the bonds or the interest on the bonds. The bonds do not contain any pledge of the City's faith and credit. The obligation rests solely with NHCPO. Under federal and State law, eligible nonprofits such as this organization can avail themselves of tax-exempt financing for financing real property acquisition, if such non-profits finance their projects through public authorities such as the AIDA.

ATTACHMENT:

Attachment 1 – Proposed Council Resolution

Attachment 2 – Notice and Certification of Public Hearing

Attachment 3 – Fiscal Impact Statement

Attachment 4 – November 8, 2010, Resolution of the Industrial Development Authority of the
City of Alexandria

STAFF:

Bruce Johnson, Chief Financial Officer

Laura B. Triggs, Director of Finance

Val P. Hawkins, President and CEO, AEDP, Inc.

**RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF ALEXANDRIA, VIRGINIA WITH RESPECT TO INDUSTRIAL
DEVELOPMENT AUTHORITY FINANCING FOR NATIONAL HOSPICE AND
PALLIATIVE CARE ORGANIZATION, INCORPORATED**

WHEREAS, the Industrial Development Authority of the City of Alexandria (the “Authority”) has considered the application of National Hospice and Palliative Care Organization, Incorporated (the “Borrower”), a corporation which is described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (“Code”), requesting the issuance of the Authority’s revenue bonds in an amount not to exceed \$7,000,000 (the “Bonds”) at one time or from time to time in one or more series pursuant to a plan of finance to assist the Borrower in financing or refinancing certain of the costs of the acquisition, development and equipping of its headquarters office building located at 1731 King Street, Suite 100, in the City of Alexandria, Virginia, which is a three-story, 17,359 square foot building, along with costs of issuance and other eligible expenditures (collectively, the “Project”) and has held a public hearing in connection therewith on November 8, 2010;

WHEREAS, Section 147(f) of the Code provides that the governmental unit having jurisdiction over the issuer of private activity bonds and over the area in which any facility financed with the proceeds of private activity bonds is located must approve the issuance of the bonds;

WHEREAS, the Authority issues its bonds on behalf of the City of Alexandria, Virginia (the “City”); the facilities of the Borrower described above are located in the City and the City Council of the City (the “Council”) constitutes the highest elected governmental unit of the City;

WHEREAS, the Authority has recommended that the Council approve the issuance of the Bonds; and

WHEREAS, a copy of the Authority’s resolution approving the issuance of the Bonds, subject to the terms to be agreed upon, a certificate of the public hearing and a Fiscal Impact Statement have been filed with the Council.

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

1. The Council approves the issuance of the Bonds by the Authority for the benefit of the Borrower, as required by Section 147(f) of the Code and Section 15.2-4906 of the Code of Virginia of 1950, as amended (the “Virginia Code”), to permit the Authority to assist in the financing of the Project.

2. The approval of the issuance of the Bonds does not constitute an endorsement to a prospective purchaser of the Bonds of the creditworthiness of the Bonds or the Borrower.

3. The issuance of revenue bonds as requested by the Borrower will not constitute a debt or pledge of the faith and credit of the Commonwealth of Virginia or the City of Alexandria, Virginia, and neither the faith and credit nor the taxing power of the Commonwealth of Virginia or any political subdivision thereof will be pledged to the payment of such bonds. Neither the City of Alexandria, Virginia nor the Authority shall be obligated to pay the Bonds or the interest thereon or other costs incident thereto except from the revenues and money pledged therefor.

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

Adopted _____, 2010.

Mayor
City of Alexandria, Virginia

ATTEST:

City Clerk

November 8, 2010


City Council of
the City of Alexandria, Virginia
P.O. Box 178
301 King Street
Alexandria, Virginia 22314

**Industrial Development Authority of the City of Alexandria
Proposed Financing for National Hospice and Palliative Care Organization, Incorporated**

National Hospice and Palliative Care Organization, Incorporated (the "Borrower"), a corporation described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), has requested that the Industrial Development Authority of the City of Alexandria (the "Authority") recommend approval to the City Council of the City of Alexandria, Virginia (the "City Council") of the issuance of the Authority's revenue bonds (the "Bonds") in an amount not to exceed \$7,000,000 at one time or from time to time in one or more series pursuant to a plan of finance to assist the Borrower in financing or refinancing certain of the costs of the acquisition, development and equipping of its headquarters Office building located at 1731 King Street, Suite 100, in the City of Alexandria, Virginia, which is a three-story, 17,359 square foot building, along with costs of issuance and other eligible expenditures (collectively, the "Project").

As set forth in the resolution of the Authority attached hereto, the Authority has agreed to issue its Bonds as requested. The Authority has conducted a public hearing on the proposed financing of the Project and has recommended that you approve the issuance of the Bonds as required by Section 147(f) of the Code and Section 15.2-4906 of the Code of Virginia of 1950, as amended (the "Virginia Code").

Also attached hereto is: (1) a certificate evidencing the conduct of the public hearing and the action taken by the Authority; (2) the Fiscal Impact Statement required pursuant to Virginia Code Section 15.2-4907; and (3) the form of resolution suggested by counsel to evidence to evidence your approval.


Secretary, Industrial Development Authority of the
City of Alexandria

CERTIFICATE

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

1. A meeting of the Authority was duly called and held on November 8, 2010 at 5:00 p.m. at the offices of The Alexandria Economic Development Partnership, Inc. at 1729 King Street, Suite 410, Alexandria, Virginia, pursuant to proper notice given to each Director of the Authority before such meeting. The meeting was open to the public. The time of the meeting and the place at which the meeting was held provided a reasonable opportunity for persons of differing views to appear and be heard.

2. The Chairman announced the commencement of a public hearing on the application of National Hospice and Palliative Care Organization, Incorporated and that a notice of the hearing was published once a week for two successive weeks in a newspaper having general circulation in the City of Alexandria, Virginia (the "Notice"), with the second publication appearing not less than seven days nor more than twenty-one days prior to the hearing date. A copy of the Notice has been filed with the minutes of the Authority and is attached as Exhibit A.

3. A summary of the statements made at the public hearing is attached as Exhibit B.

4. Attached as Exhibit C is a true, correct and complete copy of a resolution (the "Resolution") adopted at such meeting of the Authority by a majority of the Directors present at such meeting. 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 this date.

WITNESS my hand and the seal of the Authority, this 8th day of November, 2010.


Secretary, Industrial Development Authority of the
City of Alexandria

[SEAL]

Exhibits:

- A - Copy of Certified Notice
- B - Summary of Statements
- C - Inducement Resolution

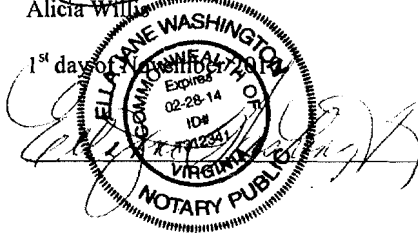


PROOF OF PUBLICATION

I, Alicia Willis, of The Washington Examiner, (Virginia Edition) a newspaper in the area of Virginia, published in the English language and located in the 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 November 1, 2010 notice of:

National Hospice and Palliative Care Organization for McGuire Woods LLP
Attached hereto has been published on October 25 & November 1, 2010.

Alicia Willis



Ad Number: 701896
End Date: November 1, 2010
Run Date: Oct 25 & November 1, 2010
National Hospice and Palliative Care Organization
McGuire Woods LLP

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

Notice is hereby given that the Industrial Development Authority of the City of Alexandria (the "Authority"), whose address is c/o The Alexandria Economic Development Partnership, Inc., 1729 King Street, Suite 410, Alexandria, Virginia 22314, will hold a public hearing on the plan of financing application of National Hospice and Palliative Care Organization, Incorporated (the "Borrower"), a nonprofit corporation, whose primary purpose is to provide part of life care and expand access to hospice care, whose address is 1731 King Street, Suite 100, Alexandria, Virginia 22314. The Borrower is requesting the Authority to issue up to \$7,000,000 of its revenue bonds at one time or from time to time in one or more series to assist the Borrower in financing or refinancing certain of the costs of the acquisition, development and equipping of its headquarters office building located at 1731 King Street, Suite 100, the City of Alexandria, Virginia, which is a three-story, 17,359 square foot building, along with costs of issuance, funding of any required reserves and other eligible expenditures (collectively, the "Project").

The issuance of revenue bonds as requested by the Borrower will not constitute a debt or pledge of the faith and credit of the Commonwealth of Virginia or the City of Alexandria, Virginia, and neither the faith and credit nor the taxing power of the Commonwealth of Virginia or any political subdivision thereof will be pledged to the payment of such bonds.

The public hearing, which may be continued or adjourned, will be held at 5:00 o'clock p.m. or as soon thereafter as the matter may be heard, on Monday, November 8, 2010, before the Authority, at the offices of The Alexandria Economic Development Partnership, Inc. at 1729 King Street, Suite 410, Alexandria, Virginia. Any person interested in the issuance of the bonds or the location or nature of the proposed Project may appear at the hearing and present his or her views. Information regarding the Borrower's application is on file and is open for inspection at the Authority's office at The Alexandria Economic Development Partnership, Inc. at 1729 King Street, Suite 410, Alexandria, Virginia during business hours.

Industrial Development Authority
of the City of Alexandria

October 25, November 1, 2010 701896

**Official Court Document
Retain For Your Records
DO NOT DISCARD**

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

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Industrial Development Authority
of the City of Alexandria

EXHIBIT B TO CERTIFICATE

Summary of Statements

Representatives of National Hospice and Palliative Care Organization, Incorporated and McGuireWoods LLP, bond counsel, appeared before the Authority to explain the proposed plan of financing. No one appeared in opposition to the proposed bond issue.

**FISCAL IMPACT STATEMENT
FOR PROPOSED INDUSTRIAL DEVELOPMENT REVENUE BOND FINANCING**

Date: November 8, 2010

To the City Council of the City of Alexandria, Virginia

Applicant: National Hospice and Palliative Care Organization, Incorporated
Facility: 1731 King Street, Suite 100, Alexandria, Virginia 22314

- | | | |
|----|---|---------------------|
| 1. | Maximum amount of financing sought. | \$ 7,000,000 |
| 2. | Estimated taxable value of the facility's real property to be constructed in the municipality. | \$ N/A |
| 3. | Estimated real property tax per year using present tax rates. | \$ 40,500 |
| 4. | Estimated personal property tax per year using present tax rates. | \$ 20,500 |
| 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. | \$ 2,500,000 |
| | (b) Estimated dollar value per year of goods that will be purchased from non-Virginia companies within the locality. | \$ 500,000 |
| | (c) Estimated dollar value per year of services that will be purchased from Virginia companies within the locality. | \$ 3,000,000 |
| | (d) Estimated dollar value per year of services that will be purchased from non-Virginia companies within the locality. | \$ 500,000 |
| 7. | Estimated number of regular employees on year round basis. | 60 |
| 8. | Average annual salary per employee. | \$ 70,729 |

Paul F. Simpson, Sr.
VICE Chairman, Industrial Development Authority
of the City of Alexandria

**RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY
OF THE CITY OF ALEXANDRIA
AUTHORIZING THE ISSUANCE OF UP TO \$7,000,000 REVENUE BONDS FOR THE
BENEFIT OF NATIONAL HOSPICE AND PALLIATIVE CARE ORGANIZATION,
INCORPORATED**

WHEREAS, the Industrial Development Authority of the City of Alexandria, a political subdivision of the Commonwealth of Virginia (the "Authority"), is empowered by the Industrial Development and Revenue Bond Act, Chapter 49, Title 15.2, Code of Virginia of 1950, as amended (the "Act"), to issue its revenue bonds for the purpose of inducing nonprofit enterprises to locate or remain in Virginia and to promote the commerce, safety, health, welfare, convenience or prosperity of citizens of the Commonwealth of Virginia;

WHEREAS, the Authority has received a request from National Hospice and Palliative Care Organization, Incorporated (the "Borrower"), a corporation which is described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), requesting that the Authority issue its revenue bonds at one time or from time to time in one or more series pursuant to a plan of finance to assist the Borrower in financing or refinancing certain of the costs of the acquisition, development and equipping of its headquarters office building located at 1731 King Street, Suite 100, in the City of Alexandria, Virginia, which is a three-story, 17,359 square foot building, along with costs of issuance and other eligible expenditures (collectively, the "Project");

WHEREAS, such assistance will induce the Borrower to remain in Virginia and benefit the inhabitants of the City of Alexandria, Virginia and the Commonwealth of Virginia, through the promotion of their safety, health, welfare, convenience or prosperity;

WHEREAS, preliminary plans for the Project have been described to the Authority and a public hearing has been held as required by Section 147(f) of the Code and Section 15.2-4906 of the Act;

WHEREAS, the Borrower has represented that the estimated cost of the Project and all expenses of issue will require one or more issues of revenue bonds in the aggregate principal amount not to exceed \$7,000,000; and

WHEREAS, the issuance of revenue bonds as requested by the Borrower will not constitute a debt or pledge of the faith and credit of the Commonwealth of Virginia or the City of Alexandria, Virginia, and neither the faith and credit nor the taxing power of the Commonwealth of Virginia or any political subdivision thereof will be pledged to the payment of such bonds.

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

1. It is hereby found and determined that the financing and refinancing of the Project will be in the public interest and will promote the commerce, safety, health, welfare, convenience or prosperity of the Commonwealth of Virginia, the City of Alexandria, Virginia and their citizens.

2. To induce the Borrower to remain in the Commonwealth of Virginia, and particularly in the City of Alexandria, Virginia, the Authority hereby agrees to assist the Borrower in financing and refinancing the Project by undertaking the issuance of its revenue bonds in an amount not to exceed \$7,000,000 at one time or from time to time in one or more series upon terms and conditions mutually agreeable to the Authority and the Borrower. The bonds will be issued pursuant to documents satisfactory to the Authority.

3. At the request of the Borrower, the Authority approves McGuireWoods LLP, McLean, Virginia, as Bond Counsel in connection with the issuance of the bonds.

4. All fees, costs and expenses in connection with the Project, including the Authority's administrative fees and the fees, costs and expenses of Bond Counsel and Authority Counsel, shall be paid by the Borrower or, to the extent permitted by applicable law, from the proceeds of the bonds. If for any reason such bonds are not issued, it is understood that all such costs and expenses shall be paid by the Borrower and that the Authority shall have no responsibility therefor.

5. The Authority recommends that the City Council of the City of Alexandria, Virginia approve the issuance of the bonds.

6. No bonds may be issued pursuant to this resolution until such time as the issuance of the bonds has been approved by the City Council of the City of Alexandria, Virginia.

7. The approval of the issuance of the bonds does not constitute an endorsement to a prospective purchaser of the bonds of the creditworthiness of the Project or the Borrower. The issuance of revenue bonds as requested by the Borrower will not constitute a debt or pledge of the faith and credit of the Commonwealth of Virginia or the City of Alexandria, Virginia and neither the faith and credit nor the taxing power of the Commonwealth of Virginia or any political subdivision of the Commonwealth of Virginia will be pledged to the payment of such bonds. Neither the City of Alexandria, Virginia nor the Authority shall be obligated to pay the bonds or the interest thereon or other costs incident thereto except from revenues and money pledged therefor.

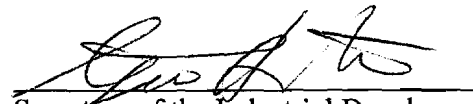
7. This resolution shall take effect immediately upon its adoption.

ADOPTED: Nov. 8, 2010

CERTIFICATE

The undersigned Secretary of the Industrial Development Authority of the City of Alexandria (the "Authority") certifies that the foregoing is a true, correct and complete copy of a resolution adopted by a majority of the Directors of the Authority present and voting at a meeting duly called and held on Nov 7, 2010, in accordance with law, and that such resolution has not been repealed, revoked, rescinded or amended but is in full force and effect on this date.

WITNESS the following signature and seal of the Authority, this 8th day of Nov., 2010.


Secretary of the Industrial Development
Authority of the City of Alexandria

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[SEAL]

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RESOLUTION 2425
RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF ALEXANDRIA, VIRGINIA WITH RESPECT TO INDUSTRIAL DEVELOPMENT
AUTHORITY FINANCING FOR NATIONAL HOSPICE AND PALLIATIVE CARE ORGANIZATION,
INCORPORATED

WHEREAS, the Industrial Development Authority of the City of Alexandria (the "Authority") has considered the application of National Hospice and Palliative Care Organization, Incorporated (the "Borrower"), a corporation which is described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended ("Code"), requesting the issuance of the Authority's revenue bonds in an amount not to exceed \$7,000,000 (the "Bonds") at one time or from time to time in one or more series pursuant to a plan of finance to assist the Borrower in financing or refinancing certain of the costs of the acquisition, development and equipping of its headquarters office building located at 1731 King Street, Suite 100, in the City of Alexandria, Virginia, which is a three-story, 17,359 square foot building, along with costs of issuance and other eligible expenditures (collectively, the "Project") and has held a public hearing in connection therewith on November 8, 2010;

WHEREAS, Section 147(f) of the Code provides that the governmental unit having jurisdiction over the issuer of private activity bonds and over the area in which any facility financed with the proceeds of private activity bonds is located must approve the issuance of the bonds;

WHEREAS, the Authority issues its bonds on behalf of the City of Alexandria, Virginia (the "City"); the facilities of the Borrower described above are located in the City and the City Council of the City (the "Council") constitutes the highest elected governmental unit of the City;

WHEREAS, the Authority has recommended that the Council approve the issuance of the Bonds; and

WHEREAS, a copy of the Authority's resolution approving the issuance of the Bonds, subject to the terms to be agreed upon, a certificate of the public hearing and a Fiscal Impact Statement have been filed with the Council.

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

1. The Council approves the issuance of the Bonds by the Authority for the benefit of the Borrower, as required by Section 147(f) of the Code and Section 15.2-4906 of the Code of Virginia of 1950, as amended (the "Virginia Code"), to permit the Authority to assist in the financing of the Project.

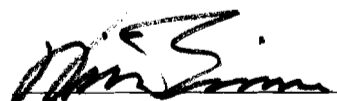
2. The approval of the issuance of the Bonds does not constitute an endorsement to a prospective purchaser of the Bonds of the creditworthiness of the Bonds or the Borrower.

3. The issuance of revenue bonds as requested by the Borrower will not constitute a debt or pledge of the faith and credit of the Commonwealth of Virginia or the City of Alexandria,

Virginia, and neither the faith and credit nor the taxing power of the Commonwealth of Virginia or any political subdivision thereof will be pledged to the payment of such bonds. Neither the City of Alexandria, Virginia nor the Authority shall be obligated to pay the Bonds or the interest thereon or other costs incident thereto except from the revenues and money pledged therefor.

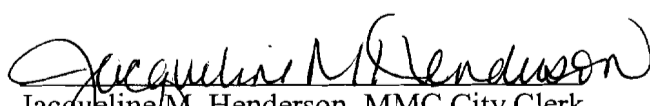
4. This resolution shall take effect immediately upon its adoption.

Adopted: November 23, 2010



WILLIAM D. EULLE MAYOR

ATTEST:


Jacqueline M. Henderson, MMC City Clerk