


City of Alexandria, Virginia

MEMORANDUM

DATE: FEBRUARY 8, 2008

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 AMERICAN SOCIETY OF CLINICAL ONCOLOGY, INC.

ISSUE: Resolution authorizing the issuance of bonds by the Industrial Development Authority of the City of Alexandria (AIDA) in an amount not to exceed \$64,000,000 to assist the American Society of Clinical Oncology, Inc. (the "Society") in financing the acquisition of an office building at 1650 Diagonal Road.

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

DISCUSSION: On February 5, 2008, the AIDA considered a Resolution (Attachment 2) authorizing the issuance of AIDA revenue bonds in an amount not to exceed \$64,000,000, to be issued pursuant to a plan of finance to: (1) assist the Society in acquiring, constructing and equipping a five-floor condominium unit consisting of approximately 123,085 total square feet of office space within an office building (the "Unit") to be located at 2318 Mill Road, and related below grade parking and other common element interests; (ii) the acquisition, installation and equipping of furniture, fixtures and equipment within the Unit and other property functionally related and subordinate thereto; and (iii) the issuance of the bonds, bond insurance premiums or other credit enhancement and financing costs, interest, working capital and other eligible expenditures (collectively, the "Project") and (2) pay costs of issuance and capitalized interest on the AIDA revenue bonds during and after acquisition and construction on the Project. The property is located near the Eisenhower Metro Station and the U.S. Federal Patent and Trademark Office complex.

American Society of Clinical Oncology, Inc. is a not-for-profit 501(c)(3) organization, whose primary purpose is to improve cancer care and prevention with the goal of ensuring that patients with cancer receive high quality care. The Society's offices are currently housed on Duke Street.

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 \$64,000 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 the American Society of Clinical Oncology, Inc. Under federal and State law, eligible nonprofits such as this Society 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.

ATTACHMENTS:

Attachment 1 - Proposed Council Resolution

Attachment 2 – February 5, 2008, Resolution of the Industrial Development Authority of the City
of Alexandria

Attachment 3 - Certificate of the Public Hearing

STAFF:

Mark Jinks, Deputy City Manager

Laura B. Triggs, Director of Finance

Stewart Litvin, President and CEO, Alexandria Economic Development Partnership, Inc.

CERTIFICATE OF RESOLUTION

1. A regular meeting of the City Council of the City of Alexandria, Virginia (the "Council"), was held on February 12, 2008, at which meeting the following duly elected members were present or absent:

PRESENT:

ABSENT:

Such members constituted all of the members of the Council on the date of such meeting.

2. Attached hereto is a true and correct copy of a resolution duly adopted at such meeting by the following vote:

AYES:

NAYS:

3. The resolution referred to above has not been repealed, revoked, rescinded or amended but is in full force and effect on this date and constitutes the only resolution adopted in 2007 by the Council relating to the issuance by the Industrial Development Authority of the City of Alexandria of its revenue bonds for the benefit of the American Academy of Otolaryngology-Head and Neck Surgery Foundation, Inc.

WITNESS my hand and the seal of the City Council of the City of Alexandria, Virginia, this ____ day of February 2008.

Clerk, City Council of the City of
Alexandria, Virginia

(SEAL)

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

WHEREAS, the Industrial Development Authority of the City of Alexandria (the “Authority”) has considered the application of the The American Society of Clinical Oncology, Inc. (the “Applicant”), a not-for-profit 501 (c)(3) organization, for the issuance of the Authority’s revenue bonds in an amount not to exceed \$64,000,000 (the “Bonds”), to finance or refinance certain costs related to the acquisition, construction, renovation and equipping of a five-floor condominium consisting of approximately 123,085 square feet of office space within an office building to be located at 2318 Mill Road (the “Project”), for the Applicant, and has held a public hearing thereon on February 5, 2008;

WHEREAS, the Authority has requested that the City Council (the “Council”) of the City of Alexandria approve the issuance of the Bonds to comply with Section 147(f) of the Internal Revenue Code of 1986, as amended (the “Internal Revenue Code”), and Section 15.2-4906 of the Code of Virginia of 1950, as amended (the “Virginia Code”);

WHEREAS, a copy of the Authority’s resolution approving the issuance of the Bonds, subject to terms to be agreed upon, a record of the public hearing, and a “fiscal impact statement” with respect to the Project have been filed with the Council;

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

1. The Council hereby approves the issuance of the Bonds and the plan of financing by the Authority for the benefit of the Applicant to the extent required by Section 147(f) of the Internal Revenue Code and Section 15.2-4906 of the Virginia Code, to permit the Authority to assist in financing or refinancing the Project.

2. Approval of the issuance of the Bonds, as required by Section 147(f) of the Internal Revenue Code, does not constitute an endorsement of the Bonds or the creditworthiness of the Applicant, but, as required by Section 15.2-4909 of the Virginia Code, the Bonds shall provide that neither the City nor the Authority shall be obligated to pay the Bonds or the interest thereon or other costs incident thereto except from the revenues and moneys pledged therefor, and neither the full faith and credit nor the taxing power of the Commonwealth, the City or the Authority shall be pledged thereto.

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

Adopted February 12, 2008

Mayor
City of Alexandria, Virginia

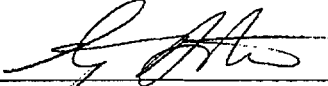
ATTEST:

City Clerk

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 February 5, 2008, 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 5th day of February, 2008.



Secretary of the Industrial Development
Authority of the City of Alexandria

[SEAL]

February 5, 2008


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
The American Society of Clinical Oncology, Inc.**

The American Society of Clinical Oncology, Inc. ("ASCO"), also known as American Society of Clinical Oncology, and its affiliate The ASCO Cancer Foundation (the "Foundation," and together with ASCO, the "Borrower"), each an organization 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 (the "City Council") of the issuance of the Authority's revenue bonds (the "Bonds") in an amount not to exceed \$64,000,000 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: (i) acquiring, constructing and equipping a five-floor condominium unit consisting of approximately 123,085 total square feet of office space (the "Unit") within an office building to be located at 2318 Mill Road, in the City of Alexandria, Virginia and related below grade parking and other common element interests; (ii) the acquisition, installation and equipping of furniture, fixtures and equipment within the Unit and other property functionally related and subordinate thereto; and (iii) the issuance of the bonds, bond insurance premiums or other credit enhancement and financing costs, interest, working capital and other eligible expenditures.

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 Bonds and has recommended that the City Council 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 the approval of the City Council.


Secretary, Industrial Development Authority of the
City of Alexandria

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

Date: February 5, 2008

To the City Council of the City of Alexandria, Virginia

Applicant: The American Society of Clinical Oncology, Inc./The ASCO Cancer Foundation

Facility: 2318 Mill Road, Alexandria, Virginia

1.	Maximum amount of financing sought	\$ 64,000,000
2.	Estimated taxable value of the facility's real property to be constructed in the municipality	\$ 55,000,000
3.	Estimated real property tax per year using present tax rates	\$ 475,000
4.	Estimated personal property tax per year using present tax rates	\$ 320,000
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	\$ 1,500,000
	(b) Estimated dollar value per year of goods that will be purchased from non-Virginia companies within the locality	\$ 8,000,000
	(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	\$ 40,000,000
7.	Estimated number of regular employees on year round basis	250
8.	Average annual salary per employee	\$ 75,000


Chairman, 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:

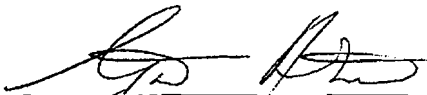
1. A meeting of the Authority was duly called and held on February 5, 2008 at 5:00 p.m. at the offices of The Alexandria Economic Development Partnership, Inc. at 1729 King Street, Suite 410, Alexandria, Virginia, pursuant to proper notice given to each Director of the Authority before such meeting. 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 The American Society of Clinical Oncology, Inc., also known as American Society of Clinical Oncology, and its affiliate The ASCO Cancer Foundation 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 5th day of February, 2008.



Secretary, Industrial Development Authority of the
City of Alexandria

[SEAL]

Exhibits:

A - Copy of Certified Notice

B - Summary of Statements

C - Resolution

The Examiner.

WASHINGTON

PROOF OF PUBLICATION

I, Michael E. Phelps, Publisher of 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 record according to the Laws and Regulations of the United States of America for 52 successive Weeks more prior to the issue of January 2008, certify that the notice of:

Revenue Bond Financing
for McGuire Woods LLP.
Attached hereto has been published January 22, & 29, 2008.

Michael E. Phelps

Michael E. Phelps

29 day of January 2008

[Signature]



Ad #: 627547
End Date: January 29, 2008
Run Date: January 22, & 29, 2008
Revenue Bond Financing
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 The American Society of Clinical Oncology, Inc (ASCO), a New York non-profit corporation, also known as American Society of Clinical Oncology, and its affiliate, The ASCO Cancer Foundation (the "Foundation"), a Virginia non-stock, non-profit corporation, each an organization described in Section 601(c)(3) of the Internal Revenue Code of 1986, as amended, together the "Applicant", whose current address is 1900 Duke Street, Suite 200, Alexandria, Virginia, 22314. The Applicant is requesting the Authority to issue up to \$84,000,000 of its revenue bonds at one time or from time to time in one or more series to assist the Applicant in financing or refinancing certain of the costs of: (i) acquiring, constructing and equipping a five-floor condominium unit consisting of approximately 123,085 total square feet of office space (the "Unit") within an office building to be located at 2318 Milk Road, in the City of Alexandria, Virginia and related below grade parking and other common element interests; (ii) the acquisition, installation and equipping of furniture, fixtures and equipment within the Unit and other property functionally related and subordinate thereto; and (iii) the issuance of the bonds, bond insurance premiums or other credit enhancement and financing costs, interest, working capital and other eligible expenditures (collectively, the "Project").

The issuance of revenue bonds as requested by the Applicant 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. on February 6, 2008, 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.

Industrial Development Authority
of the City of Alexandria

January 22, 29, 2008

627547

Retain For Your Records

Official Court Document

DO NOT DISCARD

EXHIBIT B TO CERTIFICATE

Summary of Statements

Representatives of The American Society of Clinical Oncology, Inc., also known as American Society of Clinical Oncology, and its affiliate The ASCO Cancer Foundation appeared before the Authority to explain the proposed project. No one appeared in opposition to the proposed bond issue.

**RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY
OF THE CITY OF ALEXANDRIA
AUTHORIZING THE ISSUANCE OF UP TO \$64,000,000 REVENUE BONDS FOR THE
BENEFIT OF THE AMERICAN SOCIETY OF CLINICAL ONCOLOGY, INC.**

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 Virginia;

WHEREAS, the Authority has received a request from The American Society of Clinical Oncology, Inc. ("ASCO"), also known as American Society of Clinical Oncology, and its affiliate The ASCO Cancer Foundation (the "Foundation," and together with ASCO, the "Borrower"), each an organization 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: (i) acquiring, constructing and equipping a five-floor condominium unit consisting of approximately 123,085 total square feet of office space (the "Unit") within an office building to be located at 2318 Mill Road, in the City of Alexandria, Virginia and related below grade parking and other common element interests; (ii) the acquisition, installation and equipping of furniture, fixtures and equipment within the Unit and other property functionally related and subordinate thereto; and (iii) the issuance of the bonds, bond insurance premiums or other credit enhancement and financing costs, interest, working capital 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 and the Commonwealth of Virginia, either through the increase of their commerce or 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 \$64,000,000 (the "Bonds"); 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 assisting the Borrower in funding 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 and their citizens.

2. To induce the Borrower to remain in the Commonwealth of Virginia, and particularly in the City of Alexandria, the Authority hereby agrees to assist the Borrower in funding the Project by undertaking the issuance of the Bonds in an amount not to exceed \$64,000,000 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. The Bonds shall be limited obligations of the Authority payable solely from the revenues and monies pledged therefore, and neither the faith and credit nor the taxing power of the Commonwealth of Virginia nor any political subdivision thereof, including the City of Alexandria, Virginia, will be pledged to the payment of the principal of the Bonds or the interest thereon or other costs incident thereto.

5. Neither the directors of the Authority nor any person executing the Bonds shall be liable personally on the Bonds by reason of the issuance thereof.

6. All lawful 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, or the Bonds are issued but it is determined that a part or all of such costs are not lawfully payable out of the proceeds of the Bonds, it is understood that all such costs and expenses shall be paid by the Borrower and that the Authority shall have no responsibility therefor.

7. By requesting this resolution, the Borrower waives any claim against the Authority, its directors, officers, members, and agents, and the City of Alexandria, its officials, employees, and agents, with respect to every direct and indirect actual, potential, and contingent liability, claim, charge, award, and judgment (each, a "Claim") arising out of or related to the subject-matter of this resolution and Borrower hereby promises, agrees, warrants, and covenants to fully and absolutely defend and indemnify the Authority and the City against any Claim arising out of or related to the subject-matter of this resolution.

8. The Authority recommends that the City Council of the City of Alexandria, Virginia approve the issuance of the Bonds.

9. 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.

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

ADOPTED: February 5, 2008

CERTIFICATE OF RESOLUTION

1. A regular meeting of the City Council of the City of Alexandria, Virginia (the "Council"), was held on February 12, 2008, at which meeting the following duly elected members were present or absent:

PRESENT:

ABSENT:

Such members constituted all of the members of the Council on the date of such meeting.

2. Attached hereto is a true and correct copy of a resolution duly adopted at such meeting by the following vote:

AYES:

NAYS:

3. The resolution referred to above has not been repealed, revoked, rescinded or amended but is in full force and effect on this date and constitutes the only resolution adopted in 2007 by the Council relating to the issuance by the Industrial Development Authority of the City of Alexandria of its revenue bonds for the benefit of the American Academy of Otolaryngology-Head and Neck Surgery Foundation, Inc.

WITNESS my hand and the seal of the City Council of the City of Alexandria, Virginia, this ____ day of February 2008.

Clerk, City Council of the City of
Alexandria, Virginia

(SEAL)

**RESOLUTION NO. 2269
OF THE CITY COUNCIL OF THE
CITY OF ALEXANDRIA, VIRGINIA**

WHEREAS, the Industrial Development Authority of the City of Alexandria (the "Authority") has considered the application of the The American Society of Clinical Oncology, Inc. (the "Applicant"), a not-for-profit 501 (c)(3) organization, for the issuance of the Authority's revenue bonds in an amount not to exceed \$64,000,000 (the "Bonds"), to finance or refinance certain costs related to the acquisition, construction, renovation and equipping of a five-floor condominium consisting of approximately 123,085 square feet of office space within an office building to be located at 2318 Mill Road (the "Project"), for the Applicant, and has held a public hearing thereon on February 5, 2008;

WHEREAS, the Authority has requested that the City Council (the "Council") of the City of Alexandria approve the issuance of the Bonds to comply with Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Internal Revenue Code"), and Section 15.2-4906 of the Code of Virginia of 1950, as amended (the "Virginia Code");

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


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

1. The Council hereby approves the issuance of the Bonds and the plan of financing by the Authority for the benefit of the Applicant to the extent required by Section 147(f) of the Internal Revenue Code and Section 15.2-4906 of the Virginia Code, to permit the Authority to assist in financing or refinancing the Project.

2. Approval of the issuance of the Bonds, as required by Section 147(f) of the Internal Revenue Code, does not constitute an endorsement of the Bonds or the creditworthiness of the Applicant, but, as required by Section 15.2-4909 of the Virginia Code, the Bonds shall provide that neither the City nor the Authority shall be obligated to pay the Bonds or the interest thereon or other costs incident thereto except from the revenues and moneys pledged therefor, and neither the full faith and credit nor the taxing power of the Commonwealth, the City or the Authority shall be pledged thereto.

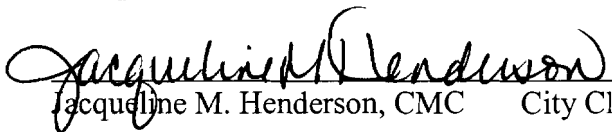
3. This resolution shall take effect immediately upon its adoption.

ADOPTED: February 12, 2008



WILLIAM D. EULLE MAYOR

ATTEST:



Jacqueline M. Henderson, CMC City Clerk