

## City of Alexandria, Virginia

## MEMORANDUM

DATE: JANUARY 4, 2010

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

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

SUBJECT: RESOLUTION AUTHORIZING THE ISSUANCE OF BONDS BY THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE CITY OF ALEXANDRIA FOR THE PROTESTANT EPISCOPAL HIGH SCHOOL

**ISSUE:** Resolution authorizing the issuance of bonds by the Industrial Development Authority of the City of Alexandria (AIDA) in an amount not to exceed \$12,500,000 to assist Protestant Episcopal High School (the "School") in financing and/or refinancing the acquisition, construction, equipping, expansion, renovation and enlargement of the educational facilities of the School.

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

**DISCUSSION:** On December 15, 2009, the AIDA considered a resolution (Attachment 2) authorizing the issuance of AIDA revenue bonds in an amount not to exceed \$12,500,000 to be issued pursuant to a plan to finance and/or refinance:

- (a) the acquisition, construction, equipping, expansion, renovation and enlargement of the educational facilities of the School, all located or to be located at the campus of the School consisting of approximately 135 acres at 1200 North Quaker Lane in the City of Alexandria, Virginia (the "Facility"), including:
- (1) the renovation, construction and equipping of approximately 22,000 square feet of the School's existing gymnasium, consisting of renovations to the trainer rooms, locker rooms, offices and laundry facilities;
  - (2) the expansion, construction and equipping of an approximately 60,000 square foot addition to the School's gymnasium, to include two full length basketball courts, a hall of fame room, athletic department offices, a fitness center, boys and girls locker rooms and additional storage; and
  - (3) other capital improvements at the Facility; and

- (b) the refunding of all or a portion of the outstanding amount of the Authority's Educational Facilities Revenue Bonds (Episcopal High School), Series 1996, issued to refund a portion of the Authority's Educational Facilities Revenue Bonds (Episcopal High School), Series 1991, issued on January 9, 1991, to finance the acquisition, construction, equipping and renovation of various improvements to the campus at the School, located at the Facility.

Protestant Episcopal High School is a not-for-profit 501(c)(3) educational organization, whose primary purpose is to provide secondary education to students. The School is a coeducational boarding school located on North Quaker Lane.

**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 \$80,000 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 Protestant Episcopal High School. Under federal and State law, eligible nonprofits such as this School 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.

The gymnasium addition has been the subject of a previous DSUP approved by Council as is any new building construction or expansion on the Episcopal High School campus.

**ATTACHMENTS:**

Attachment 1 – Proposed Council Resolution

Attachment 2 – December 15, 2009, Resolution of the Industrial Development Authority of the City of Alexandria

Attachment 3 – Certificate of Public Hearing

**STAFF:**

Bruce Johnson, Chief Financial Officer

Laura B. Triggs, Director of Finance

Val Hawkins, President and CEO, Alexandria Economic Development Partnership, Inc.

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

A. WHEREAS, the Industrial Development Authority of the City of Alexandria (the "Authority"), has considered the application and plan of financing of Protestant Episcopal High School in Virginia (the "Borrower"), a 501(c)(3) organization not organized exclusively for religious purposes requesting that the Authority issue up to \$12,500,000 of its revenue bonds (the "Bonds"), in one or more series at one time or from time to time, to assist the Borrower in financing or refinancing (the "Plan of Financing") (a) the acquisition, construction, equipping, expansion, renovation and enlargement of the educational facilities of the Borrower, all located or to be located at the campus of the Borrower consisting of approximately 135 acres at 1200 North Quaker Lane in the City of Alexandria, Virginia (the "Facility"), including: (1) the renovation, construction and equipping of approximately 22,000 square feet of the Borrower's existing gymnasium, consisting of renovations to the trainer rooms, locker rooms, offices, and laundry facilities, (2) the expansion, construction and equipping of an approximately 60,000 square foot addition to the Borrower's gymnasium, to include two full length basketball courts, a hall of fame room, athletic department offices, a fitness center, boys and girls locker rooms and additional storage and (3) other capital improvements at the Facility, (b) the refunding of all or a portion of the outstanding amount of the Authority's Educational Facilities Revenue Bonds (Episcopal High School), Series 1996 (the "Series 1996 Bonds"), issued to refund a portion of the Authority's Educational Facilities Revenue bonds (Episcopal High School), Series 1991, issued on January 9, 1991 to finance the acquisition, construction, equipping and renovation of various improvements at the Facility and (c) costs of issuing the Bonds, including the costs of refunding the Series 1996 Bonds and a debt service reserve fund.

WHEREAS, the Authority has held a public hearing on the Borrower's application and Plan of Financing on December 15, 2009;

WHEREAS, Section 147(f) of the Internal Revenue Code of 1986, as amended (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 Facility is located in the City and the City Council of the City of Alexandria, Virginia (the "Council") constitutes the highest elected governmental unit of the City;

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

WHEREAS, a copy of the Authority's resolution approving the issuance of the Bonds pursuant to the Borrower's Plan of Financing, 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 THE CITY OF ALEXANDRIA, VIRGINIA:

1. The Council approves the Plan of Financing and 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 its Plan of Financing.

2. The approvals of the Plan of Financing and the issuance of the Bonds do not constitute an endorsement to a prospective purchaser of the Bonds of the creditworthiness of the Plan of Financing or the Borrower.

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

Adopted by the City Council of the City of Alexandria, Virginia this 12<sup>th</sup> day of January, 2009.

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Clerk, City Council, City of Alexandria, Virginia

[SEAL]

December 15, 2009

City Council  
City of Alexandria  
Alexandria, Virginia

**Industrial Development Authority of the City of Alexandria  
Proposed Financing for Protestant Episcopal High School in Virginia**

Protestant Episcopal High School in Virginia, a 501(c)(3) organization not organized exclusively for religious purposes (the "Borrower"), has requested that the Industrial Development Authority of the City of Alexandria (the "Authority"), issue up to \$12,500,000 of its revenue bonds (the "Bonds"), in one or more series at one time or from time to time, to (a) assist the Borrower in financing or refinancing (the "Plan of Financing") (a) the acquisition, construction, equipping, expansion, renovation and enlargement of the educational facilities of the Borrower, all located or to be located at the campus of the Borrower consisting of approximately 135 acres at 1200 North Quaker Lane in the City of Alexandria, Virginia (the "Facility"), including: (1) the renovation, construction and equipping of approximately 22,000 square feet of the Borrower's existing gymnasium, consisting of renovations to the trainer rooms, locker rooms, offices, and laundry facilities, (2) the expansion, construction and equipping of an approximately 60,000 square foot addition to the Borrower's gymnasium, to include two full length basketball courts, a hall of fame room, athletic department offices, a fitness center, boys and girls locker rooms and additional storage and (3) other capital improvements at the Facility, and (b) the refunding of all or a portion of the outstanding amount of the Authority's Educational Facilities Revenue Bonds (Episcopal High School), Series 1996, issued to refund a portion of the Authority's Educational Facilities Revenue bonds (Episcopal High School), Series 1991, issued on January 9, 1991 to finance the acquisition, construction, equipping and renovation of various improvements at the Facility.

As set forth in the resolution of the Authority attached hereto (the "Resolution"), the Authority has agreed to issue its Bonds pursuant to the Plan of Financing as requested. The Authority has conducted a public hearing on the proposed Plan of Financing and has recommended that you approve the issuance of the Bonds as required by Section 147(f) of the Internal Revenue Code of 1986, as amended, and Section 15.2-4906 of the Code of Virginia of 1950, as amended.

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 your approval.

  
\_\_\_\_\_  
Secretary, Industrial Development Authority  
of the City of Alexandria

**RESOLUTION OF  
 THE INDUSTRIAL DEVELOPMENT AUTHORITY  
 OF THE CITY OF ALEXANDRIA  
 APPROVING THE ISSUANCE OF UP TO \$12,500,000  
 EDUCATIONAL FACILITIES REVENUE AND REFUNDING BONDS  
 (EPISCOPAL HIGH SCHOOL) SERIES 2010  
 AND AUTHORIZING THE EXECUTION AND DELIVERY OF  
 BOND DOCUMENTS SUBJECT TO CERTAIN BOND TERMS  
 FOR THE BENEFIT OF  
 PROTESTANT EPISCOPAL HIGH SCHOOL IN VIRGINIA**

**RECITALS**

A. 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 to finance facilities for private, accredited and nonprofit institutions of education in the Commonwealth of Virginia (the "Commonwealth") whose primary purpose is to provide collegiate, elementary, secondary or graduate education, and not to provide religious training or theological education, to promote the health and welfare of the Commonwealth's inhabitants; and is further empowered to issue its revenue bonds for the purpose of carrying out its powers.

B. The Authority has received a request from Protestant Episcopal High School in Virginia (the "Borrower") a not-for-profit 501(c)(3) nonstock corporation, organized and existing under the laws of the Commonwealth, requesting the Authority to issue and sell its revenue bonds (the "Bonds"), in one or more series at one time or from time to time, to assist the Borrower in the financing and refinancing (the "Plan of Financing") of (a) the acquisition, construction, equipping, expansion, renovation and enlargement of the educational facilities of the Borrower, all located or to be located at the campus of the Borrower consisting of approximately 135 acres at 1200 North Quaker Lane in the City of Alexandria, Virginia (the "Facility"), including (1) the renovation, construction and equipping of approximately 22,000 square feet of the Borrower's existing gymnasium, consisting of renovations to the trainer rooms, locker rooms, offices, and laundry facilities, (2) the expansion, construction and equipping of an approximately 60,000 square foot addition to the Borrower's gymnasium, to include two full length basketball courts, a hall of fame room, athletic department offices, a fitness center, boys and girls locker rooms and additional storage and (3) other capital improvements at the Facility, (b) the refunding of all or a portion of the outstanding principal amount of the Authority's Educational Facilities Revenue Bonds (Episcopal High School), Series 1996 (the "Series 1996 Bonds"), issued to refund a portion of the Authority's Educational Facilities Revenue Bonds (Episcopal High School), Series 1991, issued on January 9, 1991, to finance the acquisition, construction, equipping and renovation of various improvements to the campus at Borrower, located at the Facility and (c) costs of issuing the Bonds, including the costs of refunding the Series 1996 Bonds and a debt service reserve fund.

C. Such assistance will benefit the inhabitants of the City of Alexandria, Virginia and the Commonwealth of Virginia, protecting and promoting their health and welfare.

D. The Borrower's Plan of Financing has been described to the Authority and a public hearing has been held as required by Section 147(f) of the Internal Revenue Code of 1986, as amended, (the "Code") and Section 15.2-4906 of the Act.

E. The Bonds will be issued on behalf of the Borrower in one or more series at one time or from time to time.

F. The Bonds are expected to be sold by the Authority to Morgan Keegan & Company, Inc., as a representative of one or more investment banks (the "Underwriter"), pursuant to the terms of a Bond Purchase Agreement, to be dated the date of its execution and delivery (the "Bond Purchase Agreement"), among the Authority, the Underwriter, and the Borrower.

G. The Bonds are to be offered for sale by the Underwriter pursuant to an Official Statement in preliminary form, to be dated the date of its delivery, and in final form, to be dated the date of the sale of the Bonds, prepared in connection with the offering and sale of the Bonds (the "Official Statement").

H. The foregoing arrangements will be reflected in the following documents, preliminary forms of which have been presented to the Authority and filed with the records of the Authority, and which are necessary to carry out the transaction described above:

(i) the Indenture of Trust (the "Indenture"), between the Authority and a trustee to be selected by the Borrower (the "Trustee");

(ii) the Financing Agreement, between the Authority and the Borrower;

(iii) the form of the Bonds, to be dated, bearing interest and payable as provided therein and in the Indenture and incorporated into the Indenture;

(iv) the Bond Purchase Agreement;

(v) the Official Statement;

(vi) the Tax Compliance Agreement, between the Authority and the Borrower; and

(vii) the Continuing Disclosure Agreement, delivered by the School and agreed and acknowledged by the Underwriter.

All of the documents listed above, except the Bonds, are referred to in this Resolution as the "Bond Documents."

I. The Bond Documents shall reflect the following terms for the Bonds (the "Bond Terms"): (1) the aggregate principal amount of the Bonds shall not exceed \$12,500,000, (2) the

average true interest cost shall not to exceed 7.00% per annum, and (3) the final maturity date shall not exceed 31 years from the issuance of the Bonds.

J. (a) No member of the Board of Directors of the Authority is an officer or employee of the City of Alexandria, Virginia, (b) each member, before entering upon such member's duties during such member's current term of office, has taken and subscribed to the oath prescribed by Section 49-1 of the Code of Virginia of 1950, as amended, and (c) at the time of their appointments and at all times thereafter, including the date hereof, all of the members of the Board of Directors of the Authority have satisfied the residency requirements of the Act.

K. No member of the Board of Directors of the Authority has any personal or business interest in the Borrower, the Bonds, the Bond Documents, or any of the transactions contemplated therein or has otherwise engaged in conduct prohibited under the Conflict of Interests Act, Chapter 31, Title 2.2 of the Code of Virginia of 1950, as amended (the "Conflict of Interests Act") in connection with this resolution or any other official action of the Authority in connection therewith.

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

1. It is hereby found and determined that assisting with the Borrower's Plan of Financing will be in the public interest and will protect and promote the health and welfare of the Commonwealth of Virginia, the City of Alexandria, Virginia and their citizens.

2. The issuance of the Bonds is hereby authorized and approved with principal amounts, maturities, and interest rates consistent with the Bond Terms. The Bonds shall be in substantially the form attached as an exhibit to the Indenture.

3. The Chairman and Vice Chairman of the Authority, either of whom may act, are each hereby authorized and directed to execute and deliver on behalf of the Authority the Bond Purchase Agreement and the Official Statement upon approval by such executing officer of their final forms, terms and conditions, provided that such forms, terms and conditions are consistent with the Bond Terms. The use and distribution of the Official Statement in preliminary and final form by the Underwriter is authorized, and the Chairman and Vice Chairman, either of whom may act, are each authorized to deem the Official Statement final for purposes of Rule 15c2-12 of the Securities and Exchange Commission (the "Rule") and to approve the preparation and distribution of such amendments or supplements to the Official Statement as may be necessary to comply with the Bond Purchase Agreement. Such distribution shall constitute conclusive evidence that the Authority has deemed such preliminary official statement to be final as of its date within the meaning of the Rule, with respect to the information contained therein pertaining to the Authority. The sale of the Bonds to the Underwriter is hereby approved and authorized, provided the terms of such sale shall be consistent with the Bond Terms.

4. The execution, delivery and performance by the Authority of the Bond Documents to which the Authority is a party, in substantially the forms presented at this meeting with principal amounts, maturities and interest rates consistent with the Bond Terms are authorized, with such changes (including to the dates thereof), insertions or omissions consistent



with the Bond Terms as may be approved by the Chairman or the Vice Chairman of the Authority, whose approval shall be evidenced conclusively by their execution and delivery thereof. The execution of the Bonds and their delivery against payment therefor, the amount of such payment to be disbursed in accordance with the terms of the Indenture, are authorized.

5. The Chairman and the Vice Chairman of the Authority, either of whom may act, are each hereby authorized and directed to execute and deliver on behalf of the Authority the Bonds and the Bond Documents to which the Authority is a party, with terms consistent with the Bond Terms, and the Secretary and the Assistant Secretary of the Authority, either of whom may act, are each hereby authorized and directed to affix the seal of the Authority to the Bonds and, if required, the Bond Documents and to attest such seal. The signatures of the Chairman, the Vice Chairman, the Secretary, and the Assistant Secretary, and the seal of the Authority may be by facsimile. Each officer of the Authority is authorized to execute and deliver on behalf of the Authority such instruments, documents or certificates consistent with the Bond Terms, including without limitation documents that may be necessary to obtain credit enhancement and/or liquidity facilities for the Bonds, and to do and perform such other things and acts, as such officer deems necessary or appropriate to carry out the transactions authorized by this Resolution or contemplated by the Bonds, the Bond Documents or such other instruments, documents or certificates, and all of the foregoing, previously done or performed by such officers of the Authority, are in all respects approved, ratified and confirmed.

6. The Authority determines that the issuance of the Bonds in accordance with the terms of the Bond Documents, including the Bond Terms, and all action of the Authority contemplated by them will be in furtherance of the purposes for which the Authority was organized.

7. At the request of the Borrower, the Authority approves McGuireWoods LLP, as Bond Counsel in connection with the issuance of the Bonds.

8. All costs and expenses incurred in connection with the Plan of Financing or the issuance of the Bonds, including without limitation the fees and expenses of the Authority, Bond Counsel and Authority Counsel, will be paid by the Borrower or, to the extent permitted by applicable law, from the proceeds of the Bonds. If for any reason the Bonds are not issued, it is understood that all such expenses shall be paid by the Borrower, and that the Authority will have no responsibility for them.

9. The Bond Documents shall provide for indemnification and limitation of liability of the Authority, its members, and its officers, all in usual form.

10. The Bonds will not constitute a debt or pledge of the faith and credit or taxing power of the Commonwealth or any of its political subdivisions, including the Authority and the City of Alexandria, Virginia. Neither the Commonwealth nor any of its political subdivisions, including the Authority and the City of Alexandria, Virginia, will be obligated to pay the principal of, premium, if any, or interest on the Bonds or other costs incident to them except from the revenues and monies pledged for such purposes, and neither the faith and credit nor the taxing power of the Commonwealth or any of its political subdivisions, including the Authority

and the City of Alexandria, Virginia, is pledged to the payment of principal of, premium, if any, or interest on the Bonds or other costs incident to them.

11. The Authority recommends that the City Council of the City of Alexandria, Virginia, approve the issuance of the bonds and the Borrower's Plan of Financing.

12. 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.

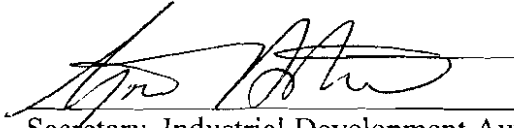
13. This resolution shall take effect immediately upon its adoption.

**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 December 15, 2009, in accordance with law, with a quorum present and acting throughout, 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 15th day of December, 2009.

[SEAL]

  
Secretary, Industrial Development Authority of the  
City of Alexandria

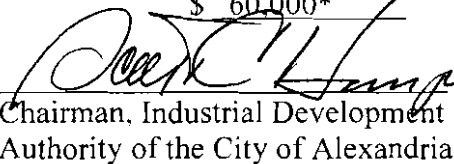
FISCAL IMPACT STATEMENT  
FOR PROPOSED INDUSTRIAL REVENUE BOND FINANCING

Date: December 15, 2009

To the City Council of the City of Alexandria, Virginia

Name of Applicant: Protestant Episcopal High School in Virginia  
Project: (a) the acquisition, construction, equipping, expansion, renovation and enlargement of the educational facilities of the Borrower and (b) the refunding of the Authority's Educational Facilities Revenue Bonds (Episcopal High School), Series 1996.

1. Maximum amount of financing sought \$ 12,500,000
  
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 \$ N/A
  
3. Estimated personal property tax per year using present tax rates \$ N/A
  
4. 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 \$ 50,000\*
  
- (b) Estimated dollar value per year of goods that will be purchased from non-Virginia companies within the locality \$ 100,000\*
  
- (c) Estimated dollar value per year of services that will be purchased from Virginia companies within the locality \$ 150,000\*
  
- (d) Estimated dollar value per year of services that will be purchased from non-Virginia companies within the locality \$ 50,000\*
  
7. Estimated number of regular employees on year round basis 140 FTE's\*
  
8. Average annual salary per employee \$ 60,000\*

  
Chairman, Industrial Development  
Authority of the City of Alexandria

At a regular meeting of the City Council of the City of Alexandria, Virginia, held on the 12th day of January, 2010, the following City Council members were recorded as present:

PRESENT:

On motion by \_\_\_\_\_, seconded by \_\_\_\_\_, the attached Resolution was adopted by a majority of the members of the City Council of the City of Alexandria, Virginia by a roll call vote, the votes being recorded as follows:

MEMBER:

VOTE:

**CERTIFICATE**

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

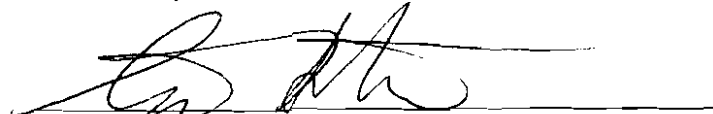
1. A meeting of the Authority was duly called and held on December 15, 2009 at 5:00 o'clock p.m. at the offices of the Alexandria Economic Development Partnership, Inc., at 1729 King Street, Suite 410, in Alexandria, Virginia, pursuant to proper notice given to each Director of the Authority before such 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 and plan of financing of Protestant Episcopal High School in Virginia, a 501(c)(3) organization, 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 six 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 15th of December, 2009.



Secretary, Industrial Development Authority  
of the City of Alexandria

[SEAL]

Exhibits:

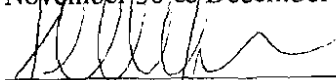
- A - Copy of Certified Notice
- B - Summary of Statements
- C - Inducement Resolution




**PROOF OF PUBLICATION**

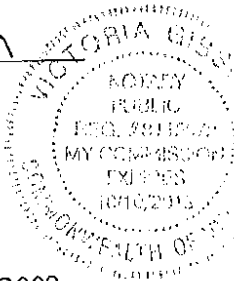
I, Claudia Feruffino, of The Washington Examiner, (Virginia Edition) a newspaper in the area of Virginia, published in the English language and located in the Virginia area, and entered in a newspaper of record according to the Laws and Regulations of the United States of America for 52 successive Weeks or more prior to the issue of December 7, 2009 notice of:

**Protestant Episcopal High Sch  
for McGuire Woods, LLP**  
Attached hereto has been published on  
November 30 & December 7, 2009.

  
\_\_\_\_\_  
Claudia Feruffino

7 day of December 2009

  
\_\_\_\_\_  
8112072



Ad Number: 680089  
End Date: December 7, 2009  
Run Date: Nov 30 & December 7, 2009  
**Protestant Episcopal High School  
Mcguire Woods, LLP**

**NOTICE OF PUBLIC HEARING ON PROPOSED REVENUE BOND PLAN OF 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") will hold a public hearing on the application of Protestant Episcopal High School in Virginia (the "Borrower"), a 501(c)(3) organization not organized exclusively for religious purposes, whose address is 1200 North Quaker Lane, Alexandria, Virginia. The Borrower has requested the Authority to issue up to \$12,500,000 of its revenue bonds, in one or more series at one time or from time to time, to assist the Borrower in financing or refinancing (the "Plan of Financing") (a) the acquisition, construction, equipping, expansion, renovation and enlargement of the educational facilities of the Borrower, all located or to be located at the campus of the Borrower consisting of approximately 135 acres at 1200 North Quaker Lane in the City of Alexandria, Virginia (the "Facility"), including: (1) the renovation, construction and equipping of approximately 22,000 square feet of the Borrower's existing gymnasium, consisting of renovations to the trainer rooms, locker rooms, offices, and laundry facilities; (2) the expansion, construction and equipping of an approximately 80,000 square foot addition to the Borrower's gymnasium, to include two (2) full-length basketball courts, a hall of fame room, athletic department offices, a fitness center, boys and girls locker rooms and additional storage and (3) other capital improvements at the Facility; and (b) the refunding of all or a portion of the outstanding amount of the Authority's Educational Facilities Revenue Bonds (Episcopal High School), Series 1996, issued to refund a portion of the Authority's Educational Facilities Revenue Bonds (Episcopal High School), Series 1991, issued on January 9, 1991, to finance the acquisition, construction, equipping and renovation of various improvements to the campus at Borrower, located at the Facility.

The issuance of revenue bonds, in one or more series, at one time or from time to time pursuant to the Plan of Financing, 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, including the City of Alexandria, Virginia, will be pledged to the payment of such bonds.

The public hearing, which may be continued or adjourned, will be held at 5:00 p.m. on December 15, 2009 before the Authority, at the offices of 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 during business hours.

Industrial Development Authority of the City of Alexandria  
November 30, December 07, 2009 680089



## **EXHIBIT B TO CERTIFICATE**

### **Summary of Statements**

Representatives of Protestant Episcopal High School in Virginia, including Boota de Butts, Chief Financial Officer of the School, and McGuireWoods LLP, bond counsel and counsel to the School, appeared before the Authority to explain the proposed plan of financing. No one appeared in opposition to the proposed bond issue.

## RESOLUTION 2378

**WHEREAS**, the Industrial Development Authority of the City of Alexandria (the "Authority"), has considered the application and plan of financing of Protestant Episcopal High School in Virginia (the "Borrower"), a 501(c)(3) organization not organized exclusively for religious purposes requesting that the Authority issue up to \$12,500,000 of its revenue bonds (the "Bonds"), in one or more series at one time or from time to time, to assist the Borrower in financing or refinancing (the "Plan of Financing") (a) the acquisition, construction, equipping, expansion, renovation and enlargement of the educational facilities of the Borrower, all located or to be located at the campus of the Borrower consisting of approximately 135 acres at 1200 North Quaker Lane in the City of Alexandria, Virginia (the "Facility"), including: (1) the renovation, construction and equipping of approximately 22,000 square feet of the Borrower's existing gymnasium, consisting of renovations to the trainer rooms, locker rooms, offices, and laundry facilities, (2) the expansion, construction and equipping of an approximately 60,000 square foot addition to the Borrower's gymnasium, to include two full length basketball courts, a hall of fame room, athletic department offices, a fitness center, boys and girls locker rooms and additional storage and (3) other capital improvements at the Facility, (b) the refunding of all or a portion of the outstanding amount of the Authority's Educational Facilities Revenue Bonds (Episcopal High School), Series 1996 (the "Series 1996 Bonds"), issued to refund a portion of the Authority's Educational Facilities Revenue bonds (Episcopal High School), Series 1991, issued on January 9, 1991 to finance the acquisition, construction, equipping and renovation of various improvements at the Facility and (c) costs of issuing the Bonds, including the costs of refunding the Series 1996 Bonds and a debt service reserve fund.

**WHEREAS**, the Authority has held a public hearing on the Borrower's application and Plan of Financing on December 15, 2009;

**WHEREAS**, Section 147(f) of the Internal Revenue Code of 1986, as amended (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 Facility is located in the City and the City Council of the City of Alexandria, Virginia (the "Council") constitutes the highest elected governmental unit of the City;

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

**WHEREAS**, a copy of the Authority's resolution approving the issuance of the Bonds pursuant to the Borrower's Plan of Financing, 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.

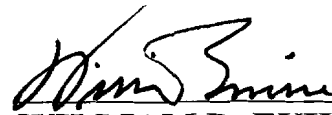
### **NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ALEXANDRIA, VIRGINIA:**

1. The Council approves the Plan of Financing and 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 its Plan of Financing.

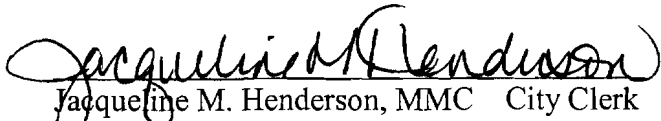
2. The approvals of the Plan of Financing and the issuance of the Bonds do not constitute an endorsement to a prospective purchaser of the Bonds of the creditworthiness of the Plan of Financing or the Borrower.

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

Adopted by the City Council of the City of Alexandria, Virginia this 12<sup>th</sup> day of January, 2010.

  
WILLIAM D. EULLE    MAYOR

ATTEST:

  
Jacqueline M. Henderson, MMC    City Clerk