INTRODUCED: June 5, 2017

A RESOLUTION No. 2017-R030

To concur with the inducement resolution adopted by the Economic Development Authority of the Town of Louisa approving the issuance of tax-exempt revenue bonds not to exceed \$8,300,000 for the benefit of Veritas Classical Christian School.

Patron – President Hilbert

Approved as to form and legality by the City Attorney

PUBLIC HEARING: JUNE 12 2017 AT 6 P.M.

WHEREAS, Veritas Classical Christian School ("the School") submitted a request to the Economic Development Authority of the City of Richmond ("the Richmond Authority") to assist with (i) the issuance of tax-exempt revenue bonds ("the Bonds") in an amount not to exceed \$8,300,000 by the Economic Development Authority of the Town of Louisa ("the Louisa Authority") to assist the School with refunding in advance of its stated maturity date that certain Economic Development Authority of Fluvanna County, Virginia \$2,438,000 Revenue Bond (Veritas Classical Christian School Facility), Series 2013 ("the Series 2013 Bond"); (ii) financing, refinancing, or reimbursing the Veritas School for the costs of acquisition, construction, renovation, and equipping of five existing buildings known as Virginia Hall,

AYES:	8	NOES:	0	ABSTAIN:	
ADOPTED: _	JUNE 12 2017	REJECTED:		STRICKEN:	

Graves Hall, Lingle Hall, Newbury Hall, and Dubose Hall, and related land and improvements, all of which are located at, upon, or adjacent to the campus of the School located at 3400 Brook Road ("the Property"); and (iii) financing certain costs of issuance of the Bonds; and

WHEREAS, the Property will be owned directly or indirectly by the School and used by the School as part of its existing campus; and

WHEREAS, the Richmond Authority and the Louisa Authority are organized under and empowered by the Industrial Development and Revenue Bond Act, set forth in sections 15.2-4900 through 15.2-4920 of the Code of Virginia (1950), as amended, to issue revenue bonds for the purposes of, among other things, financing or refinancing facilities for use by organizations, except those organized and operated for exclusively religious purposes, which are exempt from taxation pursuant to section 501(c)(3) of the Internal Revenue Code of 1986, as amended; and

WHEREAS, the School has represented to the Richmond Authority that the School is a Virginia nonstock corporation exempt from income taxation under section 501(c)(3) of the Internal Revenue Code of 1986, as amended; and

WHEREAS, in accordance with section 15.2-4906 of the Code of Virginia (1950), as amended, the Louisa Authority, after a public hearing, adopted an inducement resolution ("the Louisa Authority Resolution") on May 17, 2017, and the Richmond Authority, after a public hearing, adopted a concurring resolution on May 25, 2017, with respect to the issuance of the Bonds; and

WHEREAS, on May 24, 2017, the Board of Supervisors of the Town of Louisa approved the issuance of the Bonds by the Louisa Authority by resolution; and

WHEREAS, pursuant to section 15.2-4905 of the Code of Virginia (1950), as amended, the Council must concur with the Louisa Authority Resolution prior to issuance of the Bonds; and

WHEREAS, the Internal Revenue Code of 1986, as amended, requires that the highest elected governmental officials of the governmental unit having jurisdiction over the area in which any facility financed and refinanced with the proceeds of a private activity bond is located shall approve the issuance of such bond; and

WHEREAS, the Bonds constitute "private activity bonds" and will finance and refinance property located in the city of Richmond, Virginia, and the members of the Council constitute the highest elected governmental officials of the City; and

WHEREAS, the Council concurs with the Louisa Authority Resolution approving the issuance of the Bonds for the benefit of the School;

NOW, THEREFORE,

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF RICHMOND:

That the Council concurs with the inducement resolution adopted by the Economic Development Authority of the Town of Louisa approving the issuance of tax-exempt revenue bonds not to exceed \$8,300,000 for the benefit of Veritas Classical Christian School to the extent required by the Internal Revenue Code of 1986, as amended, and sections 15.2-4905 and 15.2-4906 of the Code of Virginia (1950), as amended.

BE IT FURTHER RESOLVED:

That the concurrence with the Economic Development Authority of the Town of Louisa inducement resolution adopted on May 17, 2017, and the approval of the issuance of the tax-exempt revenue bonds not to exceed \$8,300,00, as required by the Internal Revenue Code of

1986, as amended, and sections 15.2-4905 and 15.2-4906 of the Code of Virginia (1950), as amended, do not constitute an endorsement to a prospective purchaser of such bonds of the creditworthiness of Veritas Classical Christian School or the project being financed and is conditioned upon such bonds providing that no political subdivision of the Commonwealth of Virginia, including the City of Richmond, shall be obligated to pay the bonds or the interest thereon or other costs incident thereto and that neither the faith nor the credit of any political subdivision of the Commonwealth of Virginia, including the City of Richmond, shall be pledged thereto.

BE IT FURTHER RESOLVED:

That the Council, on behalf of the City, its elected representatives, officers, employees and agents hereby declares that the City shall not be liable and disclaims all liability for any damage to Veritas Classical Christian School, direct or inconsequential, resulting from the Economic Development Authority of Town of Louisa's failure to issue the tax-exempt revenue bonds for any reason.

Lou Brown Ali Council Chief of Staff

Office of the Council Chief of Staff COUNTY

MAY 3 1 2017

Ordinance/Resolution Request

OFFICE OF CITY ATTORNEY

TO

Allen Jackson, City Attorney

THROUGH

Lou Brown Ali, Council Chief of Staff

FROM

Meghan Brown, Deputy Council Chief of Staff MLB

COPY

Chris Hilbert, 3rd District Council Member

Lisa Townes, 3rd District Liaison

Haskell Brown, Deputy City Attorney

DATE

June 1, 2017

PAGE/s

1 of 2

TITLE

Resolution Concurring with the Proposed Tax Exempt Bond Financing by the Town of Louisa, Virginia for the Veritas School

Project

This is a request for the drafting of an

Ordinance

Resolution 🖂

REQUESTING COUNCILMEMBER/PATRON

Councilman Hilbert

SUGGESTED STANDING COMMITTEE

Committee Waive

ORDINANCE/RESOLUTION SUMMARY

Resolution concurring with the issuance by the Economic Development Authority of the Town of Louisa, Virginia of tax-exempt bonds to further advance the plan of financing and refinancing of Veritas Classical Christian School, also known as Veritas School.

BACKGROUND

This Resolution is to express support by Richmond City Council regarding the plan of financing and refinancing, that includes the issuance by the Economic Development Authority of the Town of Louisa, Virginia of tax-exempt revenue bonds in a maximum amount not to exceed \$8,300,000 to assist the school in:

- 1.) Refunding in advance of its stated maturity date certain Economic Development Authority of Fluvanna County, Virginia of \$2,438,000 Revenue Bonds
- 2.) Financing, refinancing or reimbursing the School for the costs of the acquisition, construction, renovation, and equipping of five (5) existing buildings known as Virginia Hall, Graves Hall, Lingle Hall, Newbury Hall, and Dubose Hall, and related land and improvements, all of which are located at, upon or adjacent to the campus of the School
- 3.) Financing certain costs of issuance of the bonds

Richmond City Council supports the approval by the Town of Louisa Economic Development Authority and Board of Supervisors' issuance of bank-qualified bonds to facilitate Veritas Classical Christian School in the City of Richmond. This Resolution concurs with the issuance by the Economic Development Authority of the Town of Louisa, Virginia of its tax-exempt revenue bond in an amount not to exceed \$8,300,000 to benefit Veritas School. The Bond is to assist Veritas School in financing a portion of the cost of acquiring and improving land comprised of approximately six acres, located at 3400 Brook Road, Richmond, Virginia. Patron expresses support and concurs with the issuance of the bond by the Town of Louisa, with the understanding that it does not make the City financially or morally responsible, or affect the City's credit rating and there is no impact on the City's bond rating. FISCAL IMPACT STATEMENT Yes ☐ No ☒ Fiscal Impact Budget Amendment Required Yes No 🛛 Estimated Cost or Revenue Impact N/A Attachment/s Yes ⋈ No □



May 26, 2017

Chris A. Hilbert
Council President
Richmond City Council
900 E Broad Street, Suite 305
Richmond, VA 23219

Hand Delivered

RE: Issuance of Bond-Veritas School

Dear Council President Hilbert,

Enclosed please find an executed copy of Resolution of the Economic Development Authority of the City of Richmond, executed Fiscal Impact Statement, Summary of Public Hearing Statement, and for City Council's consideration a Resolution Concurring with the Issuance by the Economic Development Authority of the Town of Louisa, Virginia, of Its Tax-Exempt Revenue Bonds in a Amount Not to Exceed \$8,300,000 for the Veritas School Project.

Thank you for your assistance. Should you need any additional information please let me know. I can be reached at 804-521-4002 or sharon.kerrick@richmondeda.org.

Sincerely,

RESOLUTION OF THE ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF RICHMOND

The Economic Development Authority of the City of Richmond (the "Richmond Authority") has received a request from Veritas Classical Christian School (the "School"), requesting that the Richmond Authority assist in the issuance of revenue bonds in an amount not to exceed \$8,300,000 (the "Series 2017 Bonds") by the Economic Development Authority of the Town of Louisa, Virginia (the "Louisa Authority") to assist the School in (1) refunding in advance of its stated maturity date that certain Economic Development Authority of the Fluvanna County, Virginia ("Fluvanna EDA") \$2,438,000 Revenue Bond (Veritas Classical Christian School Facility), Series 2013 (the "Series 2013 Bond"); (2) financing, refinancing or reimbursing the School for the costs of the acquisition, construction, renovation, and equipping of five (5) existing buildings known as Virginia Hall (approximately 22,700 square feet), Graves Hall (approximately 44,650 square feet), Lingle Hall (approximately 30,700 square feet), Newbury Hall approximately 2,800 square feet), and Dubose Hall (approximately 13,175 square feet), and related land and improvements, all of which are located at, upon or adjacent to the campus of the School located at 3400 Brook Road, Virginia 23227, (collectively, the matters described in clauses (1) and (2) are referred to as the "Project"), and (3) financing certain costs of issuance of the Series 2017 Bonds.

The School represented that it is a nonprofit Virginia nonstock corporation that is exempt from income taxation under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code").

The School further represented that the Project is located at 3400 Brook Road in the City of Richmond, Virginia, and will be used by the School in the furtherance of its charitable mission to provide students with a liberal arts K-12 college preparatory education. The Project will not include any chapels or their like, a sanctuary or other space for religious worship.

The Richmond Authority and the Louisa Authority are organized under and empowered by the Industrial Development and Revenue Bond Act (the "Act") to issue revenue bonds for the purposes of, among other things, financing or refinancing facilities for use by organizations (other than institutions organized and operated exclusively for religious purposes) which are exempt from taxation pursuant to Section 501(c)(3) of the Code.

On May 17, 2017, the Louisa Authority adopted an inducement resolution approving the Project and the issuance of the Bonds (subject to final terms of the Bonds being subsequently approved) after holding a public hearing thereon pursuant to Section 147(f) of the Code and Section 15.2-4906 of the Act, as evidenced by a Summary of Public Hearing filed with the Richmond Authority, which includes, among other things, a summary of the statements made at the public hearing, the School's Fiscal Impact Statement and the approving resolution.

On May 24, 2017, the Town Council of the Town of Louisa, Virginia approved the Project and the issuance of the Bonds by the Louisa Authority by resolution, a certified copy of which has been filed with the Richmond Authority.

As the Project is located in the City of Richmond, Section 147(f) of the Code and Section 15.2- 4905 of the Act require that the City of Richmond City Council (the "Richmond City Council") approve the issuance of the Louisa Authority's Bonds and concur with the inducement resolution adopted by the Louisa Authority.

The Richmond Authority has held a public hearing on the Project and the issuance of the Bonds pursuant to Section 147(f) of the Code and Section 15.2-4906 of the Act, and desires to recommend that the Richmond City Council approve the issuance of the Bonds and concur with the inducement resolution adopted by the Louisa Authority.

NOW, THEREFORE, BE IT RESOLVED BY THE ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF RICHMOND:

- 1. The Richmond Authority concurs with the resolution adopted by the Louisa Authority approving the Project and the issuance of the Bonds, and hereby recommends and requests that the Richmond City Council approve the issuance of the Bonds and concur with the Louisa Authority inducement resolution.
- 2. The concurrence does not constitute an endorsement to a prospective purchaser of the Bonds or the creditworthiness of the Project or the School. Further, the Bonds shall contain a statement to the effect that neither the Commonwealth nor any political subdivision thereof, including the Louisa Authority, Town of Louisa, the Richmond Authority or City of Richmond, shall be obligated to pay the principal of, premium, if any, or interest on the Bonds or other costs incident thereto except from revenues and moneys pledged therefor, and neither the faith and credit nor the taxing power of the Commonwealth or any political subdivision thereof, including the Louisa Authority, Town of Louisa, the Richmond Authority or City of Richmond, will be pledged thereto.
- 3. All fees, costs and expenses in connection with the financing, refinancing and the construction, equipping and development of the Project, including the fees and expenses of the Richmond Authority and Richmond Authority counsel, shall be paid from the proceeds of the Bonds or from moneys provided by the School. If for any reason such Bonds are not issued, all such expenses shall be paid by the School and the Richmond Authority shall have no responsibility therefor.
- 4. By submitting this Resolution to the Richmond Authority, the School has agreed to indemnify and save harmless the Richmond Authority, the City of Richmond and their officers, directors, supervisors, employees and agents from and against all liabilities, obligations, claims, damages, penalties, losses, costs and expenses in any way connected with the Project or the issuance of the Bonds by the Louisa Authority, including but not limited to, those arising in connection with any governmental review, investigation or audit of the Bonds, the Project or the School.
- 5. The Richmond Authority hereby directs its officers to submit to the Richmond City Council this Resolution, a certificate containing a summary of the public hearing held by the

Richmond Authority, together with the Summary of Public Hearing Certificate of the Louisa Authority and the approval resolution adopted by the Town of Louisa Town Council.

- 6. All other acts of the directors, officers and staff of the Richmond Authority that are in conformity with the purposes and intent of this Resolution are hereby ratified, approved and confirmed.
 - 7. This Resolution shall take effect immediately upon its adoption.

Adopted: May 25, 2017

CERTIFICATE

Record of the roll-call vote by the Economic Development Authority of the City of Richmond upon reading on a resolution titled "RESOLUTION OF THE ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF RICHMOND," taken at a meeting of the Authority held on May 25, 2017:

	AYE	NAY	ABSTAIN	ABSENT
Julious P. Smith, Jr., Chair				_
John Molster, Vice Chair	, i			-
Tiffany Jana				
Richard S. Johnson				
Hossein Sadid				
Nupa Agarwal	1			4
Meda Lane				1

Dated: May 25, 2017

(SEAL)

Chair Leonomic Development Authority of

the City of Richmond

ATTEST:

Jane C. Ferrara, Secretary

The undersigned Secretary of the Economic Development Authority of the City of Richmond hereby certifies that the foregoing is a true, correct, and complete copy of a Resolution adopted by the Authority's directors present and voting at a meeting duly called and held on May 25, 2017, in accordance with law, and that such Resolution has not been repealed, revoked, rescinded, or amended, but is in full force and effect as of the date hereof.

Dated: May 25, 2017

Jane C. Ferrara, Secretary

FISCAL IMPACT STATEMENT SUBMITTED TO THE ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF RICHMOND, VIRGINIA

The undersigned applicant, in order to permit Veritas Classical Christian School, to submit the following information in compliance with Section 15.2-4907 of the Code of Virginia of 1950, as amended, states:

Name of applicant: Veritas Classical Christian School

Facility: Veritas School, located in the City of Richmond, Virginia, at 3400 Brook Road, Richmond, Virginia 23227.

1.	Maxim	num amount of financing sought	\$8,300,000		
2.		ted taxable value of facility's real property to be acted in the locality	\$9,071,000		
3.	Estima	ted real property tax per year using present tax rates	N/A (tax exempt or in process)		
4.	Estima	ted personal property tax per year using present tax rates	\$6,935		
5,	Estimated merchant's capital tax per year using present tax rates		N/A (tax exempt)		
6. a.	a	Estimated dollar value per year of goods that will be purchased from Virginia companies within the locality	Construction	Annual	
			\$1,000,000	000,0012	
	ь.	Estimated dollar value per year of goods that will be purchased from non-Virginia companies within the locality	\$150,000	\$200,000	
	C.	Estimated dollar value per year of services that will be purchased from Virginia companies within the locality	\$1,500,000	\$500,000	
	d.	Estimated dollar value per year of services that will be purchased from non-Virginia companies within the locality	\$100,000	\$50,000	
7.	Estimated number of regular employees on year-round basis (FTE)		60 FTE		
8.	Averag	ge annual salary per employee	\$47,000		

Dated: May 25, 2017

VERITAS CLASSICAL CHRISTIAN SCHOOL

Authorized Representative

ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF RICHMOND, VIRGINIA

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SUMMARY OF PUBLIC HEARING STATEMENTS

At 4:16 p.m. on May 25, 2017, the Chairman of the Economic Development Authority of the City of Richmond, Virginia (the "Richmond Authority") announced the commencement of a public hearing at the Issuer's location at the Bon Secours Washington Redskins Training Facility. on the issuance by the Economic Development Authority of the Town of Louisa, Virginia of its tax-exempt bonds by the Economic Development Authority of the Town of Louisa, Virginia (the "Louisa Authority") in furtherance of a plan of financing and refinancing of Veritas Classical Christian School (also known as Veritas School), a Virginia nonstock, non-profit corporation, or a wholly-owned affiliate thereof (collectively, the "School"), whose principal place of business is located at 3400 Brook Road, Richmond, Virginia 23227, that includes the issuance by the Louisa Authority of its tax-exempt revenue bonds in a maximum principal amount not to exceed \$8,300,000 (the "Series 2017 Bonds") to assist the School in (1) refunding in advance of its stated maturity date that certain Economic Development Authority of the Fluvanna County, Virginia ("Fluvanna EDA") \$2,438,000 Revenue Bond (Veritas Classical Christian School Facility), Series 2013 (the "Series 2013 Bond"); (2) financing, refinancing or reimbursing the School for the costs of the acquisition, construction, renovation, and equipping of five (5) existing buildings known as Virginia Hall (approximately 22,700 square feet), Graves Hall (approximately 44,650 square feet), Lingle Hall (approximately 30,700 square feet), Newbury Hall approximately 2,800 square feet), and Dubose Hall (approximately 13,175 square feet), and related land and improvements, all of which are located at, upon or adjacent to the campus of the School located at 3400 Brook Road, Virginia 23227, (collectively, the matters described in clauses (1) and (2) are referred to as the "Project"), and (3) financing certain costs of issuance of the Series 2017 Bonds.

Aside from members of the Richmond Authority and Richmond Authority staff, no members of the public appeared and spoke at the public hearing in support or opposition to the Series 2017 Bonds or the Project and the Chairman closed the public hearing at 4:19 p.m.

A RESOLUTION CONCURRING WITH THE ISSUANCE BY THE ECONOMIC DEVELOPMENT AUTHORITY OF THE TOWN OF LOUISA, VIRGINIA, OF ITS TAX-EXEMPT REVENUE BONDS IN AN AMOUNT NOT TO EXCEED \$8,300,000 FOR THE VERITAS SCHOOL PROJECT

WHEREAS, there has been described to the Economic Development Authority of the City of Richmond, Virginia (the "Richmond Authority"), the plan of financing and refinancing of Veritas Classical Christian School (also known as Veritas School), a Virginia nonstock, nonprofit corporation (the "School"), whose principal place of business is located at 3400 Brook Road, Richmond, Virginia 23227, that includes the issuance by the Economic Development Authority of the Town of Louisa, Virginia (the "Louisa Authority") of its tax-exempt revenue bonds in a maximum principal amount not to exceed \$8,300,000 (the "Series 2017 Bonds") to assist the School in (1) refunding in advance of its stated maturity date that certain Economic Development Authority of the Fluvanna County, Virginia ("Fluvanna EDA") \$2,438,000 Revenue Bond (Veritas Classical Christian School Facility), Series 2013 (the "Series 2013 Bond"); (2) financing, refinancing or reimbursing the School for the costs of the acquisition, construction, renovation, and equipping of five (5) existing buildings known as Virginia Hall (approximately 22,700 square feet), Graves Hall (approximately 44,650 square feet), Lingle Hall (approximately 30,700 square feet), Newbury Hall approximately 2,800 square feet), and Dubose Hall (approximately 13,175 square feet), and related land and improvements, all of which are located at, upon or adjacent to the campus of the School located at 3400 Brook Road, Virginia 23227, (collectively, the matters described in clauses (1) and (2) are referred to as the "Project"), and (3) financing certain costs of issuance of the Series 2017 Bonds; and

WHEREAS, the Project will be owned directly or indirectly by the School and used by the School as part of the existing campus for Veritas School; and

WHEREAS, a public hearing with respect to the Series 2017 Bonds as required by Section 15.2-4906 of the Code of Virginia of 1950, as amended (the "Virginia Code"), and the Internal Revenue Code of 1986, as amended (the "Code"), was held by (1) the Louisa Authority on May 17, 2017 (the "Louisa Public Hearing"), and (2) the Richmond Authority on May 25. 2017 (the "Richmond Public Hearing"); and

WHEREAS, after the Louisa Public Hearing, the Louisa Authority adopted an inducement resolution with respect to the issuance of the Series 2017 Bonds, (the "Louisa Authority Resolution") with respect to the Series 2017 Bonds; and

WHEREAS, Section 15.2-4905 of the Virginia Code provides that this Council must concur with the adoption of the Louisa Authority Resolution prior to the issuance of the Series 2017 Bonds; and

WHEREAS, the Code also provides that the highest elected governmental officials of the governmental unit having jurisdiction over the area in which any facility financed and refinanced with the proceeds of a private activity bond is located shall approve the issuance of such bond; and WHEREAS, the Series 2017 Bonds constitute a "private activity bond" and will finance and refinance property located in the City of Richmond, Virginia (the "City"), and the members of the Council constitute the highest elected governmental officials of the City; and

WHEREAS, a copy of the Louisa Authority Resolution, summaries of the comments made at the Louisa Public Hearing and the Richmond Public Hearing, and a statement in the form prescribed by Section 15.2-4907 of the Virginia Code have been filed with the Council; and

WHEREAS, the Richmond Authority adopted a Resolution on May 25, 2017, by which it concurred with the issuance of the Series 2017 Bonds by the Louisa Authority and recommended that the Council take the actions set forth in this resolution;

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

- 1. The Council concurs with the adoption of the Louisa Authority Resolution and approves the issuance of the Series 2017 Bonds by the Louisa Authority to the extent required by the Code and Sections 15.2-4905 and 15.2-4906 of the Virginia Code.
- 2. The concurrence with the Louisa Authority Resolution and the approval of the issuance of the Series 2017 Bonds, as required by the Code and Sections 15.2-4905 and 15.2-4906 of the Virginia Code, do not constitute an endorsement to a prospective purchaser of the Series 2017 Bonds of the creditworthiness of the School or the project being financed or refinanced and the Series 2017 Bonds shall provide that no political subdivision of the Commonwealth of Virginia, including the City, shall be obligated to pay the Series 2017 Bonds or the interest thereon or other costs incident thereto and neither the faith or credit nor the taxing power of the Commonwealth of Virginia or any political subdivision thereof, including the City, shall be pledged thereto.
- 3. The City, including its elected representatives, officers, employees and agents, shall not be liable and hereby disclaim all liability for any damage to the School, direct or consequential, resulting from the Louisa Authority's failure to issue the Series 2017 Bonds for any reason.
 - 4. This resolution shall take effect immediately upon its adoption.

Read on [May/June __], 2017, and read and adopted on [June __], 2017. by the following vote:

Council Member Vote

Levar M. Stoney, Mayor
Christopher A. Hilbert, President
Cynthia I. Newbille, Vice-President
Andreas D. Addison
Kimberly B. Gray
Kristen N. Larson
Parker C. Agelasto

TESTE:

Ellen F. Robertson Reva M. Trammell Michael J. Jones

Clerk, City Council of the City of Richmond, Virginia