

**CITY OF CHARLOTTESVILLE, VIRGINIA
CITY COUNCIL AGENDA**



Agenda Date:	September 18, 2023
Action Required:	Adoption of resolution
Presenter:	Chris Engel, Director of Economic Development
Staff Contacts:	Chris Engel, Director of Economic Development Jacob Stroman, City Attorney
Title:	Resolution authorizing revenue bond financing on behalf of St. Anne's Belfield School (1 reading)

Background

St. Anne's-Belfield, Inc. is a recognized 501(c)(3) organization that provides pre-school -12th grade education and operates a facility at 2132 Ivy Road in the City. The School has requested that the Economic Development Authority of the City of Charlottesville (the "Authority"), assist with the issuance of a tax-exempt revenue bond in an amount not to exceed \$3,000,000. The proceeds of the bonds will be used to renovate Randolph Hall, which is a student building with classrooms, an auditorium and common area. The bonds are not obligations of the Authority or the City and have no impact on the City's debt ratings. The bonds are payable solely by St. Anne's-Belfield.

The Authority is authorized under the Industrial Development and Revenue Bond Act, Chapter 49, Title 15.2 of the Code of Virginia, to issue its revenue bonds to finance and refinance the acquisition, construction and equipping of facilities for use by organizations that are exempt from taxation pursuant to Section 501(c)(3) of the Internal Revenue Code. St. Anne's-Belfield has previously, in 2013 and in 2021, requested and received consideration for similar bond issuances in support of physical renovations to the schools' facilities.

Discussion

St. Anne's-Belfield employs 225 staff and serves 900 students annually. The school regularly partners with area non-profits and community groups by allowing use of the campus for various events. The \$6 million renovation project will involve a variety of design and technical professionals, suppliers and tradepeople for the duration of the project.

While the Authority will actually authorize the issuance of the proposed bonds, federal and state code provide that the highest elected governmental unit of the locality 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. As required, the Authority held a public hearing at its meeting on August 17, 2023 with respect to the proposed tax-exempt bond issuance. Following the hearing, at which there was no opposition, the Authority unanimously approved a resolution in support of the proposed financing.

There are no Authority funds involved; the Authority is acting as a conduit to confer tax-exempt status on the bonds. There are no City funds involved, and the City's ability to issue its own bonds is not impacted by this transaction. In addition, there is no liability to either the Authority or the City as a result of the proposed transaction.

The documents associated with the proposed transaction have been thoroughly reviewed by borrower's counsel, bond counsel, lender's counsel and authority counsel and are deemed to be in compliance with federal and state requirements related to the issuance of tax-exempt bonds.

Alignment with City Council's Vision and Strategic Plan

Community Engagement

A duly noticed public hearing was held by the Authority on August 17, 2023 with respect to the proposed tax-exempt bond issuance. No one appeared in opposition to the proposed financing.

Budgetary Impact

This resolution has no budgetary impact. The City is not obligated to pay any costs associated with this issue. Nor will it affect the city's taxing power or its ability to issue its own bonds.

Recommendation

Staff recommends approval of the attached resolution.

Alternatives

Attachments

1. St. Anne's Revenue Bond 2023 Council Packet
2. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHARLOTTESVILLE.9.13.2023