

FREDERICKSBURG  
**ECONOMIC**  
**DEVELOPMENT**  
AUTHORITY

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**ECONOMIC DEVELOPMENT AUTHORITY MINUTES (EDA)**

**December 11, 2017**

**8:30 a.m. • EDA Regular Meeting**

**City Hall, The Suite**

**715 Princess Anne St.**

**Fredericksburg, VA**

The Economic Development Authority of the City of Fredericksburg, Virginia met in regular session on Monday, December 11, 2017 beginning at 8:30 a.m. in the Suite at City Hall.

**EDA MEMBERS PRESENT.** Bob Carter, Chairman, presiding. Will Mackintosh, Beth Black, Tom Crimmins, Joe Wilson, Mitzi Brown and Bill Beck.

**ABSENT.** None.

**ALSO PRESENT.** University of Mary Washington: Kimberly Young; University of Mary Washington Foundation: Jeff Rountree; Kaufman & Canoles: George Consolvo; Former EDA Board Member: Chris Hornung; Allora Designs: Jackie Payne; EDA Counsel: Blanton Massey; Department of Economic Development and Tourism: Bill Freehling, Director; Angela Freeman, Business Development Manager; Amy Peregoy, Economic Development Specialist.

**DETERMINATION OF QUORUM.** Mitzi Brown.

**AGENDA.**

**MOTION** by Bill Beck, seconded by Tom Crimmins, the agenda was approved as presented: Ayes (6); Nays (0); Absent from Meeting (1-Mackintosh).

**PUBLIC COMMENTS.** None.

**APPROVAL OF MINUTES.**

**MOTION** by Tom Crimmins, seconded by Beth Black the minutes from the November 13, 2017 meeting were approved: Ayes (6); Nays (0); Abstain: (1-Brown).

**TREASURER'S REPORT.** The financial statement and budget report for November 2017 were accepted and filed with the minutes.

**NEW BUSINESS.**

- a. **Public Hearing: Eagle Housing, LLC Projects Tax Exempt Student Housing Revenue Refunding Bond Series 2017, Resolution approving the issuance of a refunding bond in an amount not to exceed \$78,000,000 to be purchased by Bank of America to refund the Authority's Variable Rate Revenue and Refunding Bonds (Eagle Housing, LLC Project), Series 2013 previously issued by the Authority for the**

**benefit of Eagle Housing, LLC Project.** –Mr. Consolvo presented to the EDA the University of Mary Washington Foundation's request to refund the current Eagle Housing bonds and refinance with new bonds. The foundation is doing so because of the potential effect that the pending federal tax reform legislation could have on tax-exempt bond issuances. The UMW Foundation therefore seeks to refinance the bonds through the EDA before the end of the year. No public comments.

**MOTION by Joe Wilson, seconded by Bill Beck the board approved by Resolution 17-04 authorizing the issuance of a tax-exempt student housing revenue refunding bond by the Economic Development Authority of the City of Fredericksburg, Virginia, as a conduit issuer on behalf of Eagle Housing, LLC, an affiliate of the University of Mary Washington Foundation, in a principal amount not to exceed \$77,500,000, authorizing its Chairman, Robert Carter to execute, deliver and carry out on behalf of the EDA, the bond documents: Ayes (7); Nays (0).**

- c. **University of Mary Washington CISSP Certification Workforce Development** – Ms. Young gave a brief background on the University of Mary Washington's application for a GO Virginia grant to help fund a workforce training program that would allow area residents to get certified for high-tech, well-paying security-oriented jobs at the Dahlgren Naval base and elsewhere inside the Fredericksburg region. The GO Virginia grant, which may or may not be received, would require matching funds from localities in the region or their EDAs. Ms. Young requested a financial commitment from the EDA. After a question and answer segment, Mr. Mackintosh and Mr. Wilson recused themselves. The EDA approved support of \$3,000 of in kind marketing and \$7,000 of funding.

**MOTION by Bill Beck, seconded by Tom Crimmins the board approved support of \$3,000 of in kind marketing and \$7,000 of funding for the University of Mary Washington's CISSP Certification Workforce Development Program: Ayes (5); Nays (0).**

- b. **Market Square** – Mr. Freehling stated the City has been working with local designer Jackie Payne on conceptual plans for a re-design of Market Square. Ms. Payne discussed her vision for Market Square with renderings. The board offered suggestions to Ms. Payne. Ms. Payne and Mr. Freehling responded to questions. Chair Carter thanked Ms. Payne for her presentation.

#### **OLD BUSINESS.**

- a. **Strategic Acquisitions** – Mr. Freehling presented background of the EDA expressing an interest in purchasing and later selling real estate in the City of Fredericksburg with the following goals: improving the look of unattractive properties, generating additional tax revenue for the City from underperforming properties, serving a public purpose and generating profits/income for the EDA. Mr. Freehling introduced former EDA Chairman Chris Horning. Mr. Hornung presented a previous PowerPoint from his time on the board of strategic properties. After a question and answer segment, Chair Carter thanked Mr. Hornung for his presentation. Chair Carter requested two board members to form the Strategic Acquisitions Committee. Mr. Crimmins and Mr. Mackintosh volunteered.

Mr. Wilson excused himself from the meeting.

- b. **Adoption of City Incentives Policy** – Mr. Freehling noted the EDA has now offered feedback on the City's written incentives policy on several occasions, including during the November meeting and a subsequent work session with City Council. Mr. Freehling reviewed the changes and staff has revised the policy. City Council should be ready to adopt on December 12.

**MOTION by Mitzi Brown, seconded by Will Mackintosh the board approved the adoption of the City Incentives Policy: Ayes (6); Nays (0); Absent from Vote (1-Wilson).**

***NEW BUSINESS - CONTINUED.***

- d. Sale of Artwork* – Ms. Freeman has received interest from a Fredericksburg resident to purchase two of the paintings that formerly were displayed on the fence at 823 Caroline Street. She reviewed the letter from the resident with the board. The EDA is not inclined to sell the paintings to an individual but to hold a public sale. After a brief discussion to place the paintings back on the wall as public art; Ms. Black will check into refurbishing the paintings. Ms. Freeman will contact the resident on behalf of the EDA.

***COMMITTEE REPORTS.***

- a. Parking Improvement Committee* – Mr. Beck noted a meeting will be held Thursday, December 14.
- b. Riverfront Park Taskforce* – Ms. Black informed the board there was nothing to report at this time.
- c. Branding Committee* – Ms. Black noted a meeting will be held this week.

Chair Carter requested an update from Mr. Crimmins on the Fredericksburg VA Main Street, Inc. lightening project from last year. Mr. Crimmins informed the board the lights were installed but there was disappointment with the effect.

***STAFF REPORT.***

Ms. Peregoy presented a preview of the redesigned Economic Development website. After a brief question and answer segment, Chair Carter thanked Ms. Peregoy.

Mr. Freehling noted the Economic Development breakfast would be held tomorrow morning at 8 a.m. at the Courtyard by Marriott.

***CHAIRMAN'S REPORT.*** Chair Carter thanked the EDT staff on their good work on Fred Focus, Freehling Finds and Quarterly Statistics Report.

***BOARD MEMBERS COMMENTS.*** None.

***ADJOURNMENT.*** There being no further business to come before the Economic Development Authority at this time, Chair Carter declared the meeting officially adjourned at 11:10 a.m.

  
Mitzi Brown, Secretary

RESOLUTION AUTHORIZING THE ISSUANCE OF A TAX-EXEMPT STUDENT HOUSING REVENUE REFUNDING BOND BY THE ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF FREDERICKSBURG, VIRGINIA, AS A CONDUIT ISSUER ON BEHALF OF EAGLE HOUSING, LLC, AN AFFILIATE OF THE UNIVERSITY OF MARY WASHINGTON FOUNDATION, IN A PRINCIPAL AMOUNT NOT TO EXCEED \$77,500,000

WHEREAS, there has been described to the Economic Development Authority of the City of Fredericksburg, Virginia (the "Authority"), the plan of finance of Eagle Housing, LLC (the "Company"), a Virginia limited liability company that is an affiliate of the University of Mary Washington Foundation, for the Authority to issue its Tax-Exempt Student Housing Revenue Refunding Bond (Eagle Housing, LLC Projects), Series 2017 (the "2017 Bond"), in a principal amount not to exceed \$77,500,000 to assist the Company in refinancing in whole the Authority's Tax-Exempt Student Housing Revenue Bond (Eagle Housing, LLC Projects) Series 2013 (the "2013 Bond") (the "Refinancing Plan"), which refinanced, among other instruments, certain prior tax-exempt bonds of the Authority which assisted in the acquisition, construction and equipping of (i) a student housing facility known as Eagle Landing and located at 1105 Jefferson Davis Highway in the City of Fredericksburg, Virginia (the "City"), together with a pedestrian bridge linking such facility with the campus of the University of Mary Washington, and (ii) a student housing facility known as University Apartments and located at 1106 William Street in the City (collectively, the "Project"), all of which facilities are owned by the Company and constitute "authority facilities," as defined in the Act (hereinafter defined); and;

WHEREAS, under the Industrial Development and Revenue Bond Act, Chapter 49, Title 15.2, Code of Virginia of 1950, as amended (the "Act"), the Authority has been given the power to issue its revenue bonds from time to time and to use the proceeds thereof for the purpose of financing or refinancing certain "authority facilities," as defined in the Act;

WHEREAS, the Project constitutes an "authority facility", as defined in the Act;

WHEREAS, a public hearing with respect to the Authority's issuance of the 2017 Bond was properly noticed pursuant to the Act and the Internal Revenue Code of 1986, as amended (the "Code"), and was held by the Authority on this date;

WHEREAS, the Company desires to proceed immediately with effecting the Refinancing Plan and has requested that the Authority proceed with the issuance and sale of the 2017 Bond pursuant to a Bond Purchase and Refinancing Agreement to be dated as of December 1, 2017 (the "Refinancing Agreement"), among the Authority, the Company and the Bank of America, N.A. (the "Bank");

WHEREAS, there has been presented to this meeting the form of the Refinancing Agreement, together with the form of the 2017 Bond and the form of the Company's promissory note (the "Note") payable to the Authority in the principal amount of the 2017 Bond and the instrument of assignment of the Note from the Authority to the Bank (collectively, the "Authority Documents");

WHEREAS, Section 147(f) of the Code provides that the highest elected governmental officials of the governmental units having jurisdiction over (a) the issuer of the private activity bonds and (b) the area where any facility financed with the proceeds of such bonds is located, shall approve the issuance of such bonds;

WHEREAS, the 2017 Bond will constitute a private activity bond, the Authority issues its bonds on behalf of the City, the Project is entirely within the City and the members of the City Council of the City (the "Council") constitute the highest elected government officials of the City; and

WHEREAS, the Act provides that the Council shall within sixty (60) calendar days from the public hearing with respect to any private activity bonds either approve or disapprove the issuance of such bonds.

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

1. It is hereby found and determined that the issuance of the 2017 Bond and the loan of the proceeds thereof to the Company for the purposes described above will promote higher education in the City and the Commonwealth of Virginia (the "Commonwealth"), benefit the inhabitants of the City and the Commonwealth, and otherwise serve the purposes of the Act.

2. The Authority Documents are hereby approved in substantially the forms submitted to this meeting, with such changes, insertions or omissions as may be acceptable to the Company and approved by the Chairman or Vice Chairman of the Authority, either of whom may act, upon advice of counsel to the Authority, which approval shall be evidenced conclusively by the execution and delivery of the Authority Documents. The Chairman or Vice Chairman, either of whom may act, is hereby authorized to execute and deliver the Authority Documents to the other parties thereto. The approval, execution and delivery of the final Authority Documents by the Chairman or Vice Chairman is subject to the conditions that the final maturity of the 2017 Bond shall not exceed 30 years from the date of its issuance and the initial interest rate on the 2017 Bond shall not exceed 70% of One Month LIBOR plus 2.00%.

3. The Chairman or Vice Chairman, either of whom may act, is hereby authorized and directed to execute, the Secretary or Assistant Secretary is authorized and directed to affix and attest the seal of the Authority, and either is authorized and directed to deliver the 2017 Bond to the Bank upon the terms provided in the 2017 Bond and in the Refinancing Agreement.

4. The Chairman or Vice Chairman, either of whom may act, is hereby authorized and directed to execute and deliver to the Bank a non-recourse assignment of the Note and of the rights of the Authority under the Refinancing Agreement (except for the reserved rights set forth therein).

5. The Chairman or Vice Chairman, either of whom may act, is hereby authorized and directed to complete, execute and submit, or cause to be submitted, to the Internal Revenue Service its Form 8038 with respect to the 2017 Bond and to mail, or cause to be mailed, a copy thereof to the Council and the Virginia Department of Business Assistance in accordance with the Act, and, upon the request of Bond Counsel, to certify on behalf of the Authority as to the identification on the

Authority's books and records of any interest rate swap agreement with respect to the 2017 Bond that, upon the advice of Bond Counsel, constitutes a "qualified hedge" under Section 148 of the Code and the Treasury Regulations promulgated thereunder.

6. Each officer of the Authority is authorized to execute and deliver on behalf of the Authority such further instruments, documents or certificates and to do and perform such further things and acts as they shall deem necessary or appropriate in carrying out the transactions authorized by this Resolution or contemplated by the Authority Documents, and all of such actions previously done or performed by the officers or directors of the Authority are in all respects approved, ratified and confirmed.

7. At the request of the Company, the appointment of Kaufman & Canoles, a Professional Corporation, as bond counsel with respect to the 2017 Bond is hereby approved.

8. All costs and expenses in connection with the Refinancing Plan, including the fees and expenses of the Authority and the fees and expenses of Bond Counsel, counsel to the Authority, counsel to the Company and counsel to the Bank, shall be paid promptly from the proceeds of the 2017 Bond (to the extent permitted by law) or from funds provided by the Company. If for any reason the 2017 Bond is not issued, it is understood that all such fees and expenses shall be paid promptly by the Company upon presentation of an invoice and that the Authority shall have no responsibility therefor. If the 2017 Bond is issued, the Company shall also pay the Authority's annual administrative fee as required by the Refinancing Agreement, such fee equaling 1/10 of 1% of the outstanding principal balance of the 2017 Bond payable on each anniversary of the date of issuance of the 2017 Bond.

9. In adopting this Resolution the Authority intends to evidence its "official intent" within the meaning of Treasury Regulations Section 1.150-2 to reimburse with 2017 Bond proceeds certain costs of the refunding paid by the Company prior to the issuance date and within sixty (60) days prior to the adoption of this Resolution.

10. The Authority hereby recommends that the Council approve the issuance of the 2017 Bond and directs the Chairman or Vice Chairman to submit to the Council the statement in the form prescribed by Section 15.2-4907 of the Act, a reasonably detailed summary of the comments expressed at the public hearing required by Section 15.12-4906 of the Act, and a copy of this Resolution.

11. The 2017 Bond will be a limited obligation of the Authority payable solely from the revenues and receipts derived by the Authority from the Company or other available funds provided by the Company. The 2017 Bond shall not be deemed to constitute a debt or a pledge of the faith or credit of the Commonwealth of Virginia or any political subdivision thereof, including the Authority and the City, and neither the Commonwealth of Virginia nor any political subdivision thereof, including the Authority and the City, shall be obligated to pay the principal of, premium, if any, or interest on the 2017 Bond, or other costs incident thereto, except from the revenues and receipts derived by the Authority from the Company or other available funds provided by the Company. Neither the faith and credit nor the taxing power of the Commonwealth of Virginia or any political subdivision thereof, including the Authority and the City, will be pledged to the payment of the principal of, premium, if any, or interest

on the 2017 Bond or other costs incident thereto. No covenant, condition or agreement contained in the 2017 Bond or in any other Authority Document or other instrument delivered in connection with the 2017 Bond shall be deemed to be a covenant, agreement or obligation of any past, present or future director, officer, employee or agent of the Authority in his or her individual capacity, and neither the directors of the Authority nor any officer or employee thereof executing the 2017 Bond or any other Authority Document or other instrument shall be personally liable thereon or subject to any personal liability or accountability by reason of the issuance or execution thereof.

12. Neither the Authority nor the City has endorsed the creditworthiness of the Company or the ability of the Company to repay the 2017 Bond and no representations of any kind have been made to the Bank by either the Authority or the City.

13. All other acts of the officers and agents of the Authority that are in conformity with the purposes and intent of this Resolution and in furtherance of the Refinancing Plan are hereby authorized, approved and ratified.

14. This Resolution shall take effect immediately upon its adoption. The 2017 Bond shall be issued no later than one year after the effective date of this Resolution.

The undersigned hereby certifies that the above Resolution was duly adopted by an affirmative vote of a majority of the directors of the Economic Development Authority of the City of Fredericksburg, Virginia, at a regular meeting duly called and held on December 11, 2017, and that such Resolution is in full force and effect on the date hereof.

Dated: December 11, 2017



Secretary, Economic Development Authority of the City  
of Fredericksburg, Virginia