



ARLINGTON COUNTY, VIRGINIA

**County Board Agenda Item
Meeting of January 26, 2008**

DATE: January 9, 2008

SUBJECT: Concur with an inducement resolution adopted by the Industrial Development Authority of Arlington County, Virginia (the "Arlington IDA") and approve the issuance by the Arlington IDA of the revenue bonds described in such inducement resolution for the benefit of the National Association for College Admission Counseling ("NACAC").

C. M. RECOMMENDATION:

Adopt the attached Board Resolution concurring with the attached inducement resolution adopted by the Arlington IDA and approving the issuance by the Arlington IDA of the revenue bonds described therein for the benefit of NACAC.

ISSUES: The County Board is requested to concur with the IDA. This action is consistent with previous actions by the Board.

SUMMARY: This is a request for the County Board to concur in action taken by the Arlington IDA at a meeting held on January 8, 2007. The Arlington IDA approved an inducement resolution (the "Arlington IDA Inducement Resolution") with respect to up to \$5,750,000 of Arlington IDA revenue bonds (the "Arlington IDA Bonds") to be issued to assist NACAC in financing and refinancing certain of the costs of the acquisition, construction, renovation and equipping of its one story, approximately 15,000 square foot headquarters condominium suite in the Phoenix at Clarendon mixed-use development located at 1050 North Highland Street, Unit 400-N, Arlington, Virginia, 22201 and the costs of issuance, funding of any required reserves, credit costs and other financeable expenditures.

BACKGROUND: Since 1937, NACAC has affected students' lives by serving the college admission and counseling professionals that guide students through the transition from secondary to postsecondary education. After moving its headquarters from Skokie, Illinois, to Alexandria, Virginia in 1987 and leasing office space for five years, NACAC purchased its 4-story town home style headquarters in 1992. When NACAC moved into its current headquarters the staff numbered fewer than 25. With continuous growth in programs, services, and membership during the past 15 years and a current staff of 45 employees, NACAC can no longer adequately operate out of its existing building while continuing expansion of its membership to reach more and more students each year. The relocation of NACAC's headquarters to 1050 North Highland

County Manager: _____

County Attorney: _____

Staff: Gus Vega; DMF

Street, Unit 400-N in Arlington County will allow the entire NACAC staff to be situated on one floor of a building and will create new and innovative ways of working together in service to its membership. With a current membership of over 10,500 professionals, the relocation of NACAC's national headquarters from Alexandria to Arlington County will position NACAC to continue and extend its work in communities nationwide and internationally.

NACAC will use the proceeds of the bond issue to purchase the office condominium at 1050 North Highland, Unit 400-N, Arlington, Virginia, from Keating Clarendon Development, LLC. As the owner of a full office floor in the Phoenix at Clarendon mixed-use development, NACAC's approximately 15,000 square feet of office space in Arlington County will be the headquarters for its important and significant work. In addition, proceeds will be used for associated build-out, furniture, fixtures, equipment, and the cost of issuance of the bonds.

The bonds will be sold through a private placement with Chevy Chase Bank. There will be customary fees and expenses associated with issuance of the bonds including bond counsel fees, Authority counsel fees, bank counsel fees, borrower's counsel fees and a bank commitment fee. The bonds will be secured by a first deed of trust on the office condominium and other collateral assets of NACAC.

DISCUSSION: The IDA revenue bonds will allow NACAC acquire the office condominium at 1050 North Highland, Unit 400-N and establish its home office. The bonds are tax-exempt and would be purchased by Chevy Chase Bank. The borrower employs 45 persons that would benefit the Clarendon area. The borrower would pay approximately \$51,000 a year in real estate taxes and personal taxes. There is no cost for Arlington County or the IDA.

FISCAL IMPACT: A Fiscal Impact Statement prepared by NACAC and presented to the IDA is attached. There is no cost to Arlington County for this transaction. The project will be in the public interest of Arlington County and will promote the education, safety, health, welfare, convenience and prosperity of its citizens.

RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY
OF ARLINGTON COUNTY, VIRGINIA
AUTHORIZING THE ISSUANCE OF UP TO \$5,750,000
REVENUE BONDS FOR THE BENEFIT OF
NATIONAL ASSOCIATION FOR COLLEGE ADMISSION COUNSELING

WHEREAS, the Industrial Development Authority of Arlington County, Virginia, 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 the location of facilities for use by organizations (other than institutions organized and operated exclusively for religious purposes) which are described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), and which are exempt from federal income taxation pursuant to Section 501(a) of the Code, as amended in order to protect or promote the safety, health, welfare, convenience and prosperity of the inhabitants of the Commonwealth of Virginia;

WHEREAS, the Authority has received a request from National Association for College Admission Counseling, an Iowa non-profit corporation (the "Borrower"), requesting that the Authority issue its revenue bonds to assist the Borrower in financing and refinancing certain of the costs of the acquisition, construction, renovation and equipping of its one story, approximately 15,000 square foot headquarters condominium suite in the Phoenix at Clarendon mixed-use development located at 1050 North Highland Street, Unit 400-N, Arlington, Virginia, 22201 and the costs of issuance, funding of any required reserves, credit costs and other financeable expenditures (collectively, the "Project");

WHEREAS, such assistance will induce the Borrower to preserve and maintain the Project in Virginia and benefit the inhabitants of the County of Arlington, Virginia and the Commonwealth of Virginia, 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 acquisition, construction, renovation and equipping of the Project and all expenses of issue will require an issue of revenue bonds in the aggregate principal amount not to exceed \$5,750,000;

WHEREAS, (a) no member of the Board of Directors of the Authority is an officer or employee of the County of Arlington, Virginia, (b) each member has, before entering upon his duties during his or her present term of office, taken and subscribed to the oath prescribed by Section 49-1 of the Code of Virginia of 1950, as amended (the "Virginia Code"), 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; and

WHEREAS, no member of the Board of Directors of the Authority has any personal interest or business interest in the Borrower, the bonds 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 Virginia Code in connection with this resolution or any other official action of the Authority in connection therewith.

NOW, THEREFORE, BE IT RESOLVED BY THE INDUSTRIAL DEVELOPMENT AUTHORITY OF ARLINGTON COUNTY, VIRGINIA:

1. It is hereby found and determined that the financing and refinancing of the acquisition, construction, renovation and equipping of 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 County of Arlington, Virginia and their citizens.

2. To induce the Borrower to preserve and maintain the Project in the Commonwealth of Virginia, and particularly in County of Arlington, Virginia, the Authority hereby agrees to assist the Borrower in financing and refinancing the acquisition, construction, renovation and equipping of the Project by undertaking the issuance of its revenue bonds in an amount not to exceed \$5,750,000 upon terms and conditions mutually agreeable to the Authority and the Borrower. The bonds will be issued pursuant to documents satisfactory to the Authority. The bonds may be issued in one or more series at one time or from time to time.

3. It having been represented to the Authority that it is necessary to proceed immediately with the financing and refinancing of the acquisition, construction, renovation and equipping of the Project, the Authority agrees that the Borrower may proceed with plans for the Project, enter into contracts for land, construction, materials and equipment for the Project, and take such other steps as it may deem appropriate in connection with the Project, provided, however, that nothing in this resolution shall be deemed to authorize the Borrower to obligate the Authority without its consent in each instance to the payment of any moneys or the performance of any acts in connection with the Project. The Authority agrees that the Borrower may be reimbursed from the proceeds of the bonds for all expenditures and costs so incurred by it, provided such expenditures and costs are properly reimbursable under the Act and applicable federal laws.

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

5. All costs and expenses in connection with the financing and refinancing of the acquisition, construction, renovation and equipping of the Project, including the fees 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 reasonsuch bonds are not issued, it is understood that all such expenses shall be paid by the Borrower and that the Authority shall have no responsibility therefor.

6. In adopting this resolution the Authority intends to take "official action" toward the issuance of the bonds and to evidence its "official intent" to reimburse from the proceeds of the bonds any expenditures paid by the Borrower to finance or refinance the acquisition,

construction, renovation and equipping of the Project before the issuance of the bonds, all within the meaning of regulations issued by the Internal Revenue Service pursuant to Sections 103 and 141 through 150 and related sections of the Code.

7. The Authority recommends that the County Board of Arlington County, Virginia approve the issuance of the bonds.

8. No bonds may be issued pursuant to this resolution until such time as the issuance of the bonds has been approved by the County Board of Arlington County, Virginia.

9. The approval of the issuance of the bonds does not constitute an endorsement to a prospective purchaser of the bonds of the creditworthiness of the Project or the Borrower. 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 County of Arlington, Virginia and neither the faith and credit nor the taxing power of the Commonwealth of Virginia or any political subdivision of the Commonwealth of Virginia will be pledged to the payment of such bonds. Neither the County of Arlington, Virginia nor the Authority shall be obligated to pay the bonds or the interest thereon or other costs incident thereto except from revenues and money pledged therefor.

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

Summary of Statements

On January 8, 2008, the Industrial Development Authority of Arlington County, Virginia (the "Authority"), held a public hearing on the application of National Association for College Admission Counseling ("NACAC"), whose address is 1631 Prince Street, Alexandria, Virginia 22314, requesting the Authority to issue up to \$5,750,000 of its revenue bonds, in one or more series, at one time or from time to time, to assist NACAC in financing and refinancing certain of the costs of the acquisition, construction, renovation and equipping of its one story, approximately 15,000 square foot headquarters condominium suite in the Phoenix at Clarendon mixed-use development located at 1050 North Highland Street, Unit 400-N, Arlington, Virginia, 22201 and the costs of issuance, funding of any required reserves, credit costs and other financeable expenditures.

Representatives of National Association for College Admission Counseling and McGuireWoods LLP, bond counsel, appeared before the Authority to explain the proposed plan of financing. No one appeared in opposition to the proposed bond issue.

RESOLUTION OF THE COUNTY BOARD
OF ARLINGTON COUNTY, VIRGINIA
WITH RESPECT TO INDUSTRIAL DEVELOPMENT AUTHORITY
FINANCING FOR
NATIONAL ASSOCIATION FOR COLLEGE ADMISSION COUNSELING

WHEREAS, the Industrial Development Authority of Arlington County, Virginia (the "Authority") has considered the application of National Association for College Admission Counseling (the "Borrower") requesting the issuance of the Authority's revenue bonds in an amount not to exceed \$5,750,000 (the "Bonds") to assist the Borrower in financing and refinancing certain of the costs of the acquisition, construction, renovation and equipping of its one story, approximately 15,000 square foot headquarters condominium suite in the Phoenix at Clarendon mixed-use development located at 1050 North Highland Street, Unit 400-N, Arlington, Virginia, 22201 and the costs of issuance, funding of any required reserves, credit costs and other financeable expenditures (collectively, the "Project"), and has held a public hearing on January 8, 2008;

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 County of Arlington, Virginia (the "County"); the Project is located in the County and the County Board of Arlington County, Virginia (the "Board") constitutes the highest elected governmental unit of the County;

WHEREAS, the Authority has recommended that the Board approve the issuance of the Bonds; and

WHEREAS, a copy of the Authority's resolution approving the issuance of the Bonds, subject to the terms to be agreed upon, a certificate of the public hearing and a Fiscal Impact Statement have been filed with the Board.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNTY BOARD OF ARLINGTON COUNTY, VIRGINIA:

1. The Board approves 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 the financing of the Project.
2. The approval of the issuance of the Bonds does not constitute an endorsement to a prospective purchaser of the Bonds of the creditworthiness of the Project or the Borrower. 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 County of Arlington, 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. Neither the County of Arlington, Virginia nor the Authority shall be obligated to pay the Bonds or the interest thereon or other costs incident thereto except from the revenues and money pledged therefor.

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

At a regular meeting of the County Board of Arlington County, Virginia, held on the 26th day of January, 2008, the following members of the County Board were recorded as present:

PRESENT:

On motion by _____, seconded by _____, the foregoing Resolution was adopted by a majority of the members of the County Board, the votes being recorded as follows:

MEMBER

VOTE

Dated: January 26, 2008

Clerk, County Board of Arlington

FISCAL IMPACT STATEMENT
FOR PROPOSED BOND FINANCING

Date: January 8, 2008

To the County Board
of Arlington County, Virginia

Applicant: National Association for College Admission Counseling
Facility: 1050 North Highland Street, Unit 400-N, Arlington, Virginia, 22201

1.	Maximum amount of financing sought.	\$	5,750,000
2.	Estimated taxable value of the facility's real property to be constructed in the locality.	\$	5,859,200
3.	Estimated real property tax per year using present tax rates.	\$	47,928
4.	Estimated personal property tax per year using present tax rates.	\$	3,000
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.	\$	125,000
	(b) Estimated dollar value per year of goods that will be purchased from non-Virginia companies within the locality.	\$	250,000
	(c) Estimated dollar value per year of services that will be purchased from Virginia companies within the locality.	\$	455,000
	(d) Estimated dollar value per year of services that will be purchased from non-Virginia companies within the locality.	\$	735,000
7.	Estimated number of regular employees on year round basis.		48
8.	Average annual salary per employee.	\$	61,202

Chairman, Industrial Development Authority of
Arlington County, Virginia