

MEMORANDUM

DATE: October 9, 2018

TO: The Board of Supervisors

FROM: Suzanne R. Mellen, Director, Financial and Management Services

SUBJECT: Resolution Approving a Plan to Finance and Refinance Certain Public Facilities Projects through the Issuance of Revenue and Refunding Bonds by the Economic Development Authority of James City County, Virginia

The attached resolution requests that the Economic Development Authority (EDA) issue lease revenue and refunding bonds in the amount up to \$25,400,000. The refunding portion of the bonds would refund the outstanding principal balance of the 2009 Build America Bonds that were used to finance the Police building and the Fire Administration building. The remaining amount of the bonds would finance the costs of Capital Improvements for fire apparatus and for school purposes.

A lease financing is a legal alternative to bonded indebtedness for Virginia counties in those cases where the County cannot commit to a General Obligation financing. Facilities, such as a school or a fire station, are leased to the EDA which leases them back to the School Board or the County for a sum sufficient to pay the annual debt service. The value of the property covered by the lease should exceed the amount of lease revenue bonds issued to pay for the improvements.

The resolution was prepared by bond counsel and would authorize the sale of bonds for the amounts listed as long as the interest rate on the Bonds does not exceed five percent and approve the financing documents.

SRM/md
EDARevBnds18-mem

Attachment