



## RESOLUTION #R-\_\_-\_\_

### **RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHARLOTTESVILLE, VIRGINIA, APPROVING THE EXECUTION AND DELIVERY OF A SUPPORT AGREEMENT OR AGREEMENTS WITH THE ALBEMARLE-CHARLOTTESVILLE REGIONAL JAIL AUTHORITY FOR THE ISSUANCE BY SUCH AUTHORITY OF ITS JAIL FACILITY REVENUE BOND AND JAIL FACILITY GRANT REVENUE ANTICIPATION NOTES**

**WHEREAS**, the Albemarle-Charlottesville Regional Jail Authority (**the “Authority”**) is a public instrumentality of the Commonwealth of Virginia created pursuant to Article 3.1, Chapter 3, Title 53.1, Code of Virginia of 1950, as amended (**the “Act”**) by resolutions duly adopted by the governing bodies of the County of Nelson, Virginia ( **“Nelson County”**), the County of Albemarle, Virginia (**“Albemarle County”**) and the City of Charlottesville, Virginia (**the “City,” collectively, the “Member Jurisdictions”**) for the purpose of renovating the regional jail (**the “Regional Jail”**) to be operated on behalf of the Member Jurisdictions by the Authority;

**WHEREAS**, the Authority and the Member Jurisdictions have entered into an Amended and Restated Service Agreement, dated June 9, 2022 (**the “Service Agreement”**), in which the Authority has agreed to, design, construct, renovate and equip the Regional Jail and obtain financing therefor;

**WHEREAS**, the Authority desires to issue its jail facility revenue bond in an estimated maximum aggregate principal amount of \$41,000,000 (**the “Local Bond”**) the proceeds of which, together with other available funds, are expected to be sufficient to finance and refinance the costs of the renovation and equipping of the Regional Jail (**the “Project”**);

**WHEREAS**, the Authority’s financial advisor, Davenport & Company LLC (**the “Financial Advisor”**) has advised the Authority that the Virginia Resources Authority (**“VRA”**), a public body corporate and political subdivision of the Commonwealth of Virginia, is willing to finance a portion of the Project at favorable rates to the Authority;

**WHEREAS**, VRA has indicated its willingness to purchase such Local Bond from a portion of the proceeds of its Series 2025B VRA Bonds (**as more particularly defined in the below-defined Local Bond Sale and Financing Agreement, the “VRA Bonds”**) and to provide a portion of the proceeds thereof to the Authority to finance a portion of the Project and pay certain costs of issuance of the Local Bond, in accordance with the terms of a Local Bond Sale and Financing Agreement to be dated as of a date to be specified by VRA, between VRA and the Authority (**the “Local Bond Sale and Financing Agreement”**);

**WHEREAS**, the Authority is expecting to receive a grant from the Commonwealth of Virginia (**the “Commonwealth Grant”**) as reimbursement of a portion of the “eligible costs” of the Project following completion of the Project;

**WHEREAS**, the Authority desires to issue its jail facility grant revenue anticipation note in an estimated maximum aggregate principal amount of \$12,500,000 (**the “Note”**) to be sold to a purchaser to be selected by the Authority, the proceeds of which, together with proceeds from the sale of the Local Bond are expected to be sufficient to finance a portion of the construction and renovation of the Project;

**WHEREAS**, VRA has indicated that its agreement to purchase the Local Bond will be conditioned upon each of the Member Jurisdictions undertaking non-binding obligations to appropriate from time to time moneys to the Authority in connection with payments due on the Local Bond and a similar agreement to purchase the Note by the purchaser thereof will require a similar non-binding obligation to appropriate;



**WHEREAS**, City Council (**the “City Council”**) of the City has previously indicated its support of the financing of the Project and hereby desires to approve the issuance of the Local Bond by the Authority and to enter into such a Support Agreement evidencing such obligation (**the “Bond Support Agreement”**), the form of which has been submitted to this meeting and the issuance of the Note by the Authority and a support agreement, if required in such Note transaction (**the “Note Support Agreement”**), the form of which has been submitted to this meeting.

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

1. The City hereby approves the issuance of the Local Bond and the Note as required under the Service Agreement. It is determined to be in the best interests of the City and its citizens for City Council to enter into the Bond Support Agreement regarding the Local Bond and a Note Support Agreement regarding the Note. The forms of the Bond Support Agreement and Note Support Agreement submitted to this meeting are hereby approved.
2. It is acknowledged that (i) VRA would not purchase the Local Bond without the security and credit enhancement provided by the Bond Support Agreement, (ii) VRA will be a third party beneficiary of the Service Agreement, and (iii) VRA is treating the Bond Support Agreement as a "local obligation" within the meaning of Section 62.1-199 of the Code of Virginia of 1950, as amended, including amendments thereto taking effect as of July 1, 2011 (**the “Virginia Code”**), which in the event of a nonpayment thereunder authorizes VRA or the trustee for VRA's bonds to file an affidavit with the Governor that such nonpayment has occurred pursuant to Section 62.1-216.1 of the Virginia Code. In purchasing the Local Bond, VRA is further relying on Section 62.1-216.1 of the Virginia Code, providing that if the Governor is satisfied that such nonpayment has occurred, the Governor will immediately make an order directing the Comptroller to withhold all further payment to the County of all funds, or of any part of them, appropriated and payable by the Commonwealth of Virginia to the County for any and all purposes, and the Governor will, while the nonpayment continues, direct in writing the payment of all sums withheld by the Comptroller, or as much of them as is necessary, to VRA, so as to cure, or cure insofar as possible, such nonpayment.
3. In consideration of the Authority's undertakings with respect to the financing plans of the Project, the Mayor or Vice-Mayor of the City, either of whom may act, is hereby authorized and directed to execute and deliver the Bond Support Agreement and the Note Support Agreement. The Bond Support Agreement and the Note Support Agreement shall be in substantially the forms presented to this meeting, which are each hereby approved, with such completions, omissions, insertions or changes not inconsistent with this resolution as may be approved by the Mayor or Vice-Mayor of the City, in their sole discretion, the execution thereof by the Mayor or Vice-Mayor of the City to constitute conclusive evidence of his or her approval of such completions, omissions, insertions or changes.
4. The City Manager is hereby authorized and directed to carry out the obligations imposed by the Bond Support Agreement and the Note Support Agreement on the City Manager, and to take all proper steps on behalf of the City as may be required, in accordance with the plan of financing set forth above.
5. Nothing contained herein or in the Bond Support Agreement or the Note Support Agreement is or shall be deemed to be a lending of the credit of the County to the Authority, VRA or to any holder of the Local Bond or the Note or to any other person, and nothing herein contained is or shall be



deemed to be a pledge of the faith and credit or the taxing power of the City, nor shall anything contained herein or in the Bond Support Agreement or the Note Support Agreement legally bind or obligate City Council to appropriate funds for purposes described in the Bond Support Agreement or the Note Support Agreement.

6. All actions previously taken by officials, representatives or agents of the City in furtherance of the plan of financing and issuance of the Local Bond and the Note are hereby ratified and approved.
7. This resolution shall take effect immediately.

Date Adopted:

Certified: \_\_\_\_\_  
Clerk of Council