

Policy Briefing Summary

City Council



Regarding:	Resolution Authorizing Revenue Bond Financing on Behalf of the Alumni Association of the University of Virginia
Staff Contact(s):	John Hunt, Chief Deputy City Attorney, Chris Engel, Director of Economic Development
Presenter:	Chris Engel, Director of Economic Development
Date of Proposed Action:	August 18, 2025

Issue

The Alumni Association of the University of Virginia ("UVA"), a Virginia nonstock corporation, whose principal place of business is 211 Emmet Street South, Charlottesville, Virginia 22903, has requested that the Economic Development Authority of the City of Charlottesville, Virginia ("Authority"), issue up to \$50,000,000 of the Authority's revenue bonds, to support the demolition and removal of the existing structure and fixtures of Alumni Hall, and the design, engineering, constructing, and equipping of a replacement Alumni Hall at the same location.

Background / Rule

The Authority is authorized under the Industrial Development and Revenue Bond Act, Chapter 49, Title 15.2 of the Code of Virginia, 1950, as amended, 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.

While the Authority will actually authorize the issuance of the proposed bonds, federal and state codes 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.

Analysis

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.

A duly noticed Public Hearing was held by the Authority on August 12, 2025, with respect to the proposed tax-exempt bond issuance.

The funding will allow an enhanced location for UVA alumni and student engagement, as well as new meeting and event space for the community. The Facility also employs sixty-two (62) Staff and is currently expected to increase employment by three (3) full-time positions in conjunction with the completion of the Project. The average annual salary of employees is currently \$85,000.

Financial 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 adoption of the attached Resolution.

Recommended Motion (if Applicable)

"I make a Motion to adopt the attached Resolution supporting the utilization of the Authority's revenue bonds for the demolition and removal of the existing structure and fixtures of UVA's Alumni Hall, and the design, engineering, constructing, and equipping of a replacement Alumni Hall at the same location."

Attachments

1. UVAAA - TEFRA Package-203553726-v4