



ARLINGTON COUNTY, VIRGINIA

**County Board Agenda Item
Meeting of July 8, 2006**

DATE: June 27, 2006

SUBJECT: The Northern Virginia Criminal Justice Training Academy Cooperation Agreement

C. M. RECOMMENDATION:

1. Approve the attached Resolution approving the execution and delivery of a Cooperation Agreement in connection with the issuance by the Industrial Development Authority of the County of Loudoun, Virginia of its Lease Revenue Bonds for the benefit of the Northern Virginia Criminal Justice Training Academy.
2. Authorize the County Manager or his designee to execute the attached Agreement subject to legal review by the County Attorney.

ISSUES: Should Arlington County enter into an agreement, as principal members along with the City of Alexandria and the County of Loudoun, in connection with the issuance by the Industrial Development Authority (IDA) of its Lease Revenue Bonds for the benefit of the Northern Virginia Criminal Justice Training Academy?

SUMMARY: The Northern Virginia Criminal Justice Academy (NVCJA) has requested that the Principal Members (Arlington County along with Loudoun County and City of Alexandria) undertake, subject to annual appropriation by the governing body of the Principal Members, to pay all amounts payable under the Financing Lease, including, but not limited to, rental payments sufficient to pay debt service on the Bonds when due in accordance with the terms of the Financing Lease. The aggregate principal amount payable under this Agreement shall not exceed \$16,500,000 and the true interest cost on the Bonds shall not exceed 6.50%. The amount payable will be determined by the Academy upon issuance of the Bonds and communicated in writing to the Principal Members. Though actual costs are not yet derived, Arlington County's annual debt service costs are estimated to be \$237,000.

County Manager: _____

County Attorney: _____

Staff: Chief Douglas Scott; Sheriff Beth Arthur
Gus Vega, DMF – Financing Unit

Staff recommends that the County Board undertake a non-binding obligation to consider certain appropriations in support of the rental payments under the Financing Lease to pay debt service on the Bonds and the Project conditioned upon the participation of the City Council of the City of Alexandria, Virginia ("Alexandria") and the Board of Supervisors, of Loudoun County, Virginia ("Loudoun") in such non-binding obligation.

BACKGROUND: The Northern Virginia Criminal Justice Training Academy (NVCJA) is located in Ashburn, Virginia. It provides entry level training and continuing career training for sixteen law enforcement agencies located in two Northern Virginia counties, Arlington, and Loudoun, and the independent communities of Alexandria, City of Fairfax, City of Falls Church, Leesburg, Manassas, Manassas Park, Middleburg and Purcellville. It also includes the Metropolitan Washington Airports Authority, Washington Metropolitan Transit Authority, and George Mason University police departments. The NVCJA provides training for approximately 2,500 sworn personnel within its member agencies. (This is anticipated to increase to approximately 2,800 by CY 2008.)

The Prince William County Criminal Justice Academy (PWCCJA) currently provides entry level training and continuing career training for approximately 763 sworn personnel within the Prince William County Police Department. (This is anticipated to increase to approximately 905 by CY 2008.)

Both NVCJA and PWCCJA are committed to providing state-of-the-art law enforcement training to newly hired trainees and veteran personnel. This commitment requires the development of a new Emergency Vehicle Operations Center (EVOC) on a jointly owned site of approximately 88-acres near the existing PWCCJA in Nokesville, Virginia. The EVOC master plan includes classrooms, multiple outdoor courses (A 1.2 mile Highway Response Course, an Urban Course, a Skid Pan and a Motor Pad) a vehicle maintenance area, and administrative support space. For years both NVCJA and the PWCCJA have provided EVOC training at Old Dominion Speedway through a contractual arrangement with the owner's. The property that Old Dominion Speedway is located on has been sold to a developer. The existing lease agreement with Old Dominion is due to expire in 2008 and no alternative location for this training could be identified.

Training in the operation of emergency vehicles is a critical aspect of both Basic and in-Service training. Aside from being mandated by Virginia Department of Criminal Justice Services, it is critical in terms of the safety of police officers and deputy sheriffs and, equally important, to the public in general. From operating a patrol vehicle to controlling a vehicle on various road surfaces and conditions to demonstrating physical and judgmental skills needed to operate a patrol vehicle, the EVOC training program is geared to "officer safety" and public safety. A concurrent concern is the high liability factor in the operation of an emergency vehicle. Risk Management officers of any jurisdiction will appreciate the extent and depth of the training provided police officers and sheriff deputies at an Emergency Vehicle Operations Center.

DISCUSSION: The Industrial Development Authority (IDA) of the County of Loudoun, Virginia has determined it to be advisable and necessary to (i) finance the acquisition and construction of an emergency vehicle operations center located in Prince William County, Virginia; (ii) refinance existing indebtedness originally issued to finance the Academy's training facility; and (iii) establish a debt service reserve fund, if required, and (iv) finance costs of

issuance related thereto. The Northern Virginia Criminal Justice Training Academy (NVCJA) proposes to finance the project through the issuance of lease revenue bonds by the IDA to be secured in part by a leasehold interest in the Leased Project pursuant to a Financing Lease between the NVCJA and the IDA, and, if deemed appropriate by the NVCJA, Prince William County, Virginia.

FISCAL IMPACT: The budget for Arlington County's share for Northern Virginia Criminal Justice Academy is budgeted in Pay-As-You-Go (PAYG) (Fund 313. Cost Center 91105). Since FY 1993 the budget consisted of lease rental payments for the building in Loudoun County to house the NVCJA's programs. The debt service costs for the building will gradually decrease and end in FY 2008. At the same time, the Emergency Vehicle Operations Center (EVOC) will be developed. The new debt service for the EVOC project will be pro-rated among the different users of the facilities and will begin in FY 2009. The maximum annual debt service cost for Arlington County is estimated at \$237,000. This is an increase of \$83,000 from the current PAYG budget for NVCJA of \$154,000.

DESCRIPTION OF ATTACHMENTS

Attachment A NVCJA Cooperation Resolutions
Attachment B NVCJA Cooperation Agreement

**A RESOLUTION OF THE COUNTY BOARD OF THE
COUNTY OF ARLINGTON, VIRGINIA, APPROVING
THE EXECUTION AND DELIVERY OF A COOPERATION AGREEMENT IN
CONNECTION WITH THE ISSUANCE BY THE INDUSTRIAL DEVELOPMENT
AUTHORITY OF THE COUNTY OF LOUDOUN, VIRGINIA OF ITS
LEASE REVENUE BONDS FOR THE BENEFIT OF THE
NORTHERN VIRGINIA CRIMINAL JUSTICE TRAINING ACADEMY**

RECITALS

A. The Northern Virginia Criminal Justice Training Academy (the "Academy") presently owns, operates and maintains a regional criminal justice training academy and other public safety facilities serving the needs of the residents of the County of Arlington, Virginia (the "County") and its other member jurisdictions.

B. The Authority has determined it to be advisable, necessary and in the best interests of the residents of the County to (i) finance the acquisition and construction of an emergency vehicle operations center located in Prince William County, Virginia (the "Leased Project"); (ii) refinance existing indebtedness originally issued to finance the Academy's training facility; and (iii) finance costs of issuance related thereto (collectively, the "Project") and to finance the Project by requesting the Industrial Development Authority of the County of Loudoun, Virginia (the "Authority") to issue its lease revenue bonds in one or more series in an aggregate principal amount not to exceed \$16,500,000 (the "Bonds") to be secured in part by a leasehold interest in the Leased Project pursuant to a financing lease (the "Financing Lease") between the Authority and the Academy and, if deemed appropriate, Prince William County, Virginia.

C. The County Board of the County (the "Board") has determined to undertake a non-binding obligation to consider certain appropriations in support of the rental payments under the Financing Lease to pay debt service on the Bonds and the Project conditioned upon the participation of the City Council of the City of Alexandria, Virginia ("Alexandria") and the Board of Supervisors, of Loudoun County, Virginia ("Loudoun") in such non-binding obligation.

D. The foregoing arrangements will be reflected in a Cooperation Agreement, (the "Cooperation Agreement"), between the Board, Alexandria, Loudoun, the Authority and the Academy, the form of which has been presented to this meeting and filed with the County.

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

Approval of Cooperation Agreement. The Cooperation Agreement is approved in substantially the form presented to this meeting, with such changes, insertions or omissions as may be approved by the County Manager in consultation with the County Attorney, whose approval shall be evidenced conclusively by the execution and delivery of the Cooperation

Agreement on the County's behalf; provided, however that the principal amount of Bonds the payment of which is supported by the Cooperation Agreement shall not exceed \$16,500,000 and the true interest cost on the Bonds shall not exceed 6.50%. The County Manager is authorized to execute and deliver the Cooperation Agreement and such other documents and certificates as such officer may consider necessary in connection therewith.

No Pledge. Nothing contained herein or in the Cooperation Agreement is or shall be deemed to be a lending of the credit of the County to the Authority, the Academy or to any holder of the Bonds 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 County, nor shall anything contained herein or in the Cooperation Agreement legally bind or obligate the Board to appropriate funds for the purposes described in the Cooperation Agreement.

Further Actions; Authorized Representations. All officers and agents of the Board and the County are authorized and directed to take such further actions in conformity with the purpose and intent of this Resolution as may be necessary or appropriate in connection with the issuance and sale by the Authority of the Bonds, the execution, delivery and recording of the Financing Lease, and the execution, delivery and performance of the Cooperation Agreement including the execution and delivery on behalf of the County of such instruments, documents or certificates as necessary or appropriate to carry out the transactions contemplated by this Resolution. All actions previously taken by such officers and agents in connection with the issuance and sale of the Bonds and the execution, delivery and recording of the Financing Lease are ratified and confirmed.

Repeal of Conflicting Resolutions. All resolutions are repealed to the extent they are inconsistent with this Resolution.

Effective Date. This Resolution shall take effect immediately; provided, however that the Cooperation Agreement shall not be executed and delivered on behalf of the County until Alexandria and Loudoun have authorized the execution of the Cooperation Agreement.

CERTIFICATE OF CLERK

The undersigned Clerk of the County Board of the County of Arlington, Virginia, hereby certifies that:

1. A regular meeting (the "Meeting") of the County Board of the County of Arlington, Virginia (the "Board"), was held on July 8, 2006, at which the following members were present and absent:

PRESENT:

ABSENT:

2. A Resolution entitled "A RESOLUTION OF THE COUNTY BOARD OF THE COUNTY OF ARLINGTON, VIRGINIA, APPROVING THE EXECUTION AND DELIVERY OF A COOPERATION AGREEMENT IN CONNECTION WITH THE ISSUANCE BY THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE COUNTY OF LOUDOUN, VIRGINIA OF ITS LEASE REVENUE BONDS FOR THE BENEFIT OF THE NORTHERN VIRGINIA CRIMINAL JUSTICE TRAINING ACADEMY" was duly adopted at the Meeting by the recorded affirmative of a majority of all of the members elected to the Board, the ayes and nays being recorded in the minutes of the Meeting as shown below:

MEMBER

VOTE

3. Attached hereto is a true and correct copy of the foregoing resolution as recorded in full in the minutes of the Meeting.

4. The attached resolution has not been repealed, revoked, rescinded or amended and is in full force and effect on the date hereof.

WITNESS my signature and the seal of the County of Arlington, Virginia, this ____ day of July, 2006.

Clerk of the County Board
of the County of Arlington, Virginia

NORTHERN VIRGINIA
CRIMINAL JUSTICE TRAINING ACADEMY

NORTHERN VIRGINIA CRIMINAL JUSTICE TRAINING ACADEMY
COOPERATION AGREEMENT

THIS NORTHERN VIRGINIA CRIMINAL JUSTICE TRAINING ACADEMY COOPERATION AGREEMENT (this "Agreement") is entered into as of _____, 2006 among the NORTHERN VIRGINIA CRIMINAL JUSTICE TRAINING ACADEMY, a public body corporate and politic of the Commonwealth of Virginia (the "Academy") and the CITY OF ALEXANDRIA, VIRGINIA, the COUNTY OF ARLINGTON, VIRGINIA and the COUNTY OF LOUDOUN, VIRGINIA, each a political subdivision of the Commonwealth of Virginia (collectively, the "Principal Members").

RECITALS:

Pursuant to authority granted under Section 15.2-1747 of the Code of Virginia of 1950, as amended (the "Code"), the Principal Members, along with other governmental units (the "Members"), created the Academy to serve the criminal justice training needs of the Members.

The Academy proposes to (i) finance the acquisition and construction of a Emergency Vehicle Operations Center (the "Leased Project") on property to be owned by the Academy, (ii) refinance existing indebtedness issued by the Industrial Development Authority of Loudoun County, Virginia (the "Authority") previously issued for the benefit of the Academy, (iii) establish a debt service reserve fund, if required, and (iv) finance costs of issuance related thereto (collectively, the "Project").

The Academy proposes to finance the Project through the issuance of lease revenue bonds (the "Bonds") by the Authority to be secured in part by a leasehold interest in the Leased Project pursuant to a Financing Lease (the "Financing Lease") between the Academy and the Authority, and, if deemed appropriate by the Academy, Prince William County, Virginia.

The Academy has requested that the Principal Members undertake, subject to annual appropriation by the governing body of the Principal Members, to pay all amounts payable under the Financing Lease, including, but not limited to, rental payments sufficient to pay debt service on the Bonds when due.

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants and agreements herein contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Principal Members and the Academy do hereby agree as follows:

1. Recitals. The foregoing recitals are incorporated into and made a part of this Agreement as though they were fully set forth in this Section 1 and constitute the representations and understandings of the Principal Members and the Academy.

2. Academy Undertaking. The Academy agrees to lease the Leased Project to the Authority pursuant to a lease and lease the Leased Project back from the Authority pursuant to the Financing Lease.

3. Principal Members Undertakings. (a) The Principal Members agree jointly and severally to pay, subject to annual appropriation by the governing body of the respective Principal Member, to the Academy or to such other person or entity as may be designated by the Academy, all amounts payable by the Academy under the Financing Lease as they come due in accordance with the terms of the Financing Lease, provided that the aggregate principal amount payable under this Agreement shall not exceed \$16,500,000 and the true interest cost on the Bonds shall not exceed 6.50%. The amount payable hereunder shall be determined by the Academy upon issuance of the Bonds and communicated in writing to the Principal Members.

(b) Although recognizing that it is not empowered to make any binding commitment beyond the current fiscal year, the governing body of each of the Principal Members hereby states that it is its current intention to make sufficient annual appropriations during the term of this Agreement to make all payments described above and recommends that future governing bodies do likewise. The City Manager, County Manager or County Administrator, as appropriate, shall submit for each fiscal year a request to the governing body of the appropriate Principal Member for an appropriation to the Academy in addition to all other appropriations to the Academy for an amount equal to the interest on and all other amounts payable under the Financing Lease due in such fiscal year. Notwithstanding anything in this Agreement to the contrary, the Principal Members' obligations to make payments under this Agreement shall be subject to and dependent upon annual appropriations being made from time to time by the governing body of such Principal Members for such purpose. Nothing in this Agreement shall constitute a pledge of the full faith and credit of any of the Principal Members.

(c) Each Principal Member's approved budget for each fiscal year will be available from such Principal Member upon request.

(d) Each Principal Member agrees to notify the Authority and the Academy in the event its governing body fails to appropriate an amount sufficient to pay amounts payable hereunder by such Principal Member.

(e) If at any time during any fiscal year of the Principal Members, the amount appropriated in the budget of the Principal Members for the fiscal year is insufficient to pay when due all amounts payable under the Bonds, the City Manager, County Manager or County Administrator, as appropriate shall submit to the governing bodies of the Principal Members at the next scheduled meeting of the appropriate governing body, or as promptly as practicable, but in any event within 45 days, a request for a supplemental appropriation sufficient to cover the deficit.

(f) Each Principal Member agrees to provide to the trustee for the Bonds (the "Trustee"), upon request, copies of such Principal Member's Comprehensive Annual Financial Report, including audited financial statements within 220 days after the end of such Principal Member's fiscal years. Such information will also be available from the Nationally Recognized Municipal Securities Information Repositories.

(g) Notwithstanding anything herein to the contrary, the obligation of each Principal Member to include in its budget amounts necessary to make payments hereunder and to pay to the Academy any amounts appropriated shall be limited to one-third of the amount required to make payments due under the Financing Lease as such amount is determined by or on behalf of the Academy unless such Principal Member has received a Notice of Deficiency, as described below. The Academy shall give notice, or shall cause the Trustee to give notice, (the "Notice of Deficiency") to each of the Principal Members if any Principal Member fails to appropriate all or any portion of its share of the amount due hereunder. The Notice of Deficiency shall include the amount of the deficiency and a request to each Principal Member to appropriate and pay such amount to or at the direction of the Academy. Each Principal Member agrees that it will include the amount of any such deficiency in the amount requested under paragraph 3(b) or 3(e) above.

4. Assignment of Payments and Obligations. The Academy assigns the payments to be made by the Principal Members under this Agreement and the other obligations and undertakings of the Principal Members hereunder to the Trustee for the benefit of the registered owners of the Bonds and the Principal Members are directed to make payments hereunder directly to the Trustee pursuant to instructions furnished by the Academy.

5. Notices. Any notice, request, demand, instruction or other document required or permitted by the provisions of this Agreement to be given or served hereunder or under any document or instrument executed pursuant hereto shall be in writing and (i) sent by first class mail, (ii) personally delivered, (iii) telecopied or (iv) sent by a recognized overnight courier service to the Principal Members and/or the Academy:

If to the Authority: 45299 Research Place
Ashburn, Virginia 20147
Fax: 703-729-4634
Attention: Truman D. Wilcox, Deputy Director

If to the City of P. O. Box 178
Alexandria, Virginia: 301 King Street
Alexandria, Virginia 22314
Fax: 703-838-6343
Attention: Michele Evans, Assistant City Manager

If to the County of Department of Management and Finance
Arlington, Virginia: 2100 Clarendon Boulevard, Suite 501
#1 Courthouse Plaza
Arlington, Virginia 22201
Fax: 703-228-3401
Attention: Gus Vega, Senior Financial Analyst

If to the County of
Loudoun, Virginia:

1 Harrison Street, S.E., 4th Floor
Leesburg, Virginia 20177
Fax: 703-771-5234
Attention: Paul N. Arnett, Comptroller

6. Term of Agreement. This Agreement shall remain in full force and effect until the Bonds have been paid in full.

7. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original and all of which together shall constitute but one and the same instrument.

8. Severability. If any clause, provision or section of this Agreement is held to be illegal or invalid by any court, the invalidity of the clause, provision or section will not affect any of the remaining clauses, provisions or sections, and this Agreement will be construed and enforced as if the illegal or invalid clause, provision or section has not been contained in it.

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