

Overview of Financing Structure for the Proposed Public Facility Revenue Bond Financing and Refunding through the Economic Development Authority

1. The County of Albemarle, Virginia (the “County”), has determined to (a) reimburse or finance various project costs described in its capital improvement plans and (b) refund certain prior bonds issued by the Economic Development Authority of Albemarle County, Virginia (the “EDA”), the proceeds of which were used to finance prior capital projects for the benefit of the County. Based on the recommendation of the County’s financial advisor and after consultation with counsel, the County has determined to undertake these objectives through a 2021 bond financing with the EDA. The EDA is authorized under provisions of the Industrial Development Authority and Revenue Bond Act (in the Virginia Code) to assist the County in financing and refinancing local government facilities and equipment.

2. The financing structure contemplates that the EDA will issue public facility revenue bonds (the “EDA Bonds”) in a public offering and loan the proceeds to the County for use in paying the costs of the new money projects and refunding prior bonds issued by the EDA for the benefit of the County. The EDA Bonds will be issued as “additional bonds” under a master trust agreement which was first implemented in 2003 and used again in 2011, 2013, 2015 and 2017. The EDA Bonds are expected to be sold in a competitive bond sale for which orders from investment banking firms will be received on a particular date. The EDA Bonds will be awarded to the firm that submits a bid offering the lowest true interest cost (TIC).

3. The EDA Bonds will be secured by an existing master financing agreement (which is part of the financing program first implemented in 2003) between the EDA and the County, pursuant to which the County has agreed, subject to annual appropriation by the Board of Supervisors, to repay the EDA’s loan in amounts sufficient to pay when due debt service on the EDA Bonds. No leased collateral is anticipated to be used as additional collateral for the 2021 financing.

4. The resolution to be considered by the Board of Supervisors approves the pricing parameters of the 2021 financing and approves as to form the current drafts of the preliminary official statement and the other financing documents that will be used in connection with the issuance and sale of the EDA Bonds. The resolution delegates to the County Executive and other County officers the authority to approve the final terms of the 2021 financing (within the parameters set forth in the resolution) and execute the financing documents.