



# City of Hampton, Virginia

## Briefing / Presentation / Hearing

22 Lincoln Street  
Hampton, VA 23669  
[www.hampton.gov](http://www.hampton.gov)

File Number: 07-0359

Enactment Number: -

### **Resolution of the City Council of the City of Hampton, Virginia, Pursuant to Virginia Code Section 37.2-504.A.11 Authorizing the Hampton-Newport News Community Services Board to Incur Certain Borrowing Obligations.**

**WHEREAS**, the City of Hampton, Virginia, with the City of Newport News, Virginia, established the Hampton-Newport News Community Services Board (the Board) as required by Section 37.2 of the Code of Virginia, 1950, as amended; and

**WHEREAS**, on May 27, 2004, the Hampton-Newport News Community Services Board through its affiliated property company, the Hampton-Newport News Community Services Board Property Company, Inc. (the Company), acquired a parcel of land with improvements thereon known as the Hampton Medical Center located at 100-600 Medical Way, Hampton, Virginia, has constructed improvements thereon and has agreed to undertake the construction of additional improvements thereon (the Improvements), which Improvements will be owned by the Company and used by the Board in connection with its mental health, mental retardation and substance abuse services to the community; and

**WHEREAS**, it is necessary that the Company borrow funds to finance the Improvements; and

**WHEREAS**, Bank of America, N.A. (the Lender) has agreed to make a variable rate taxable construction/permanent loan to the Company in an amount not exceeding \$3,500,000 (the Loan) to finance the Improvements; and

**WHEREAS**, as a condition to the making of the Loan, the Lender has required that the Board guarantee payment of the Loan; and

**WHEREAS**, the Lender has agreed to provide a \$2,500,000 line of credit facility (the Line of Credit) to the Board;

**WHEREAS**, the Code of Virginia Section 37.2-504A.11 requires that the political subdivision or subdivisions that established the Board authorize loans payable by the Board and the Board seeks the City's authorization solely to meet that statutory requirement; the Loan and the Line of Credit constitute loans to the Board requiring such authorization; and the City of Newport News, Virginia, and the City of Hampton, Virginia, established the Board;

**WHEREAS**, the financing of the Improvements is to carry out the governmental activities of political subdivisions, namely the City of Hampton, Virginia, and the City of Newport News, Virginia; and,

**WHEREAS**, the Board and the City understand and agree that no payments will be requested by the Board from the City in connection with repayment of the Loan or line of credit and that neither the Loan nor obligations under the line of credit will constitute a debt or pledge of the full faith and credit of the City and will not impose any liability on the City.

**NOW THEREFORE, BE IT RESOLVED** by City Council of the City of Hampton, Virginia:

1. The execution and delivery by the Board of a guaranty agreement in connection with the making of the Loan are hereby authorized. The execution and delivery by the Board of a note and related documents in connection with the making of the Line of Credit are hereby authorized.

2. All actions of the authorized representatives of the Board as may be necessary to effectuate and consummate the execution and delivery of such guaranty agreement, the making of the Loan and the execution and delivery of the note and related documents relating to the Line of Credit are hereby authorized

3. This resolution shall take effect upon its adoption.

Adopted at the regular meeting of the City Council of the City of Hampton, Virginia held on June 20, 2007.

**Signed by** \_\_\_\_\_ **Date** \_\_\_\_\_  
Ross A. Kearney, II, Mayor

**Attested by** \_\_\_\_\_ **Date** \_\_\_\_\_  
Katherine K. Glass  
Clerk of the Council