



Legislation Details (With Text)

File #: 17-0387 **Version:** 1 **Name:** PTC Bond Resolution
Type: Resolution **Status:** Passed
File created: 12/1/2017 **In control:** City Council Legislative Session
On agenda: 4/11/2018 **Final action:** 4/11/2018

Title: Resolution (i) Authorizing the Execution of an Amended and Restated Memorandum of Understanding by and Among the Peninsula Town Center Community Development Authority and T Peninsula Axis VA, LLC, T Peninsula Hotel VA, LLC, and Peninsula Parking Lot VA, LLC and an Amended and Restated Collection Agreement With the Peninsula Town Center Community Development Authority and the Successors and Assigns of Hampton Mall Associates, J. C. Penney Properties, Inc., and Target Corporation in Connection With the Issuance of Special Obligation Refunding Bonds, Series 2018, and (ii) Approving the Issuance of the Series 2018 Bonds by the Community Development Authority

Sponsors:

Indexes: , Economic Vitality

Code sections:

Attachments: 1. Presentation

Date	Ver.	Action By	Action	Result
4/11/2018	1	City Council Legislative Session	approved	Pass
3/28/2018	1	City Council Legislative Session	deferred	Pass
3/14/2018	1	City Council Legislative Session	deferred	Pass
2/14/2018	1	City Council Legislative Session	deferred	Pass
1/24/2018	1	City Council Legislative Session	deferred	Pass
1/10/2018	1	City Council Legislative Session	deferred	Pass
12/13/2017	1	City Council Legislative Session	deferred	Pass

Resolution (i) Authorizing the Execution of an Amended and Restated Memorandum of Understanding by and Among the Peninsula Town Center Community Development Authority and T Peninsula Axis VA, LLC, T Peninsula Hotel VA, LLC, and Peninsula Parking Lot VA, LLC and an Amended and Restated Collection Agreement With the Peninsula Town Center Community Development Authority and the Successors and Assigns of Hampton Mall Associates, J. C. Penney Properties, Inc., and Target Corporation in Connection With the Issuance of Special Obligation Refunding Bonds, Series 2018, and (ii) Approving the Issuance of the Series 2018 Bonds by the Community Development Authority

PURPOSE/BACKGROUND:

The Peninsula Town Center Community Development Authority ("CDA") was created by ordinance of the City Council of the City of Hampton, Virginia (the "City") to finance certain public infrastructure associated with the redevelopment of the Hampton Coliseum Mall area (the "Infrastructure").

By Resolution adopted March 8, 2006, the City Council approved a Memorandum of Understanding among the CDA, the City and Hampton Mall Associates, its successors and assigns in connection with the issuance of special obligation bonds (“Series 2007”) to finance the Infrastructure.

By Non-Coded Ordinance 1026 adopted October 26, 2006, (the “Assessment Ordinance”), the City Council (i) established a special assessment for the CDA (ii) authorized a collection agreement (the “Collection Agreement”) among the CDA, the City and Hampton Mall Associates, its successors and assigns (referred to as the “Landowner”) setting forth certain agreements relating to the levy of the special assessment and the special ad valorem tax and the collection of revenues all as described in the Memorandum of Understanding, and (iii) specifically expressed that the Collection Agreement could be revised by subsequent resolution of City Council.

The Assessment Ordinance was amended by Non-Coded Ordinance 1043 dated August 16, 2007 wherein the levy of the special assessment was amended to provide an increase in the maximum amount of the assessment from \$212,178,801.00 to \$232,000,000.00 and a revised Special Assessment Roll levying the assessment in such maximum amount was to be attached to the Collection Agreement.

The CDA (at the request of the majority owner of Peninsula Town Center) is now proposing the issuance of Special Obligation Refunding Bonds, Series 2018 to refund the outstanding Series 2007 Bond obligations of the CDA, extend the maturity of the debt an additional 8 years, and to pay certain costs relating to the issuance of the Series 2018 Bonds.

It is important to note that the Special Assessment contains a Retail Portion which is an amount equal to one-half of one percent of each \$1.00 of retail sales generated and reported by retail establishments in the District and is imposed upon the general public by the retail owners and the tenants of Peninsula Town Center.

The City must approve the CDAs issuance of the Series 2018 Bonds.

The CDA by Resolution adopted December 5, 2017 and as amended and restated on April 11, 2018 (the “CDA Authorizing Resolution”), authorized the issuance and sale of the Series 2018 Bonds subject to the City’s approval.

The issuance of the Series 2018 Bonds also requires that the Memorandum of Understanding and the Collection Agreement be amended to reflect the obligations of the parties to those agreements which now include T Peninsula Axis VA, LLC, T Peninsula Hotel VA, LLC, and Peninsula Parking Lot VA, LLC in addition to the CDA for the Amended and Restated Memorandum of Understanding, and the Successors and Assigns of Hampton Mall Associates, J. C. Penney Properties, Inc. and Target Corporation in addition to the CDA for the Amended and Restated Collection Agreement. The amendment of the foregoing documents require the consent of the City which is also a party thereto.

City staff recommends approval.

Discussion:

See PURPOSE/BACKGROUND above.

Impact:

Bonds to be issued in a maximum principal amount of \$90,000,000; Total Special Assessment not to exceed \$155,845,095.

Recommendation:

Conduct public hearing and approve Resolution first followed by approval of the Amended Non-Coded Ordinance.

WHEREAS, the Peninsula Town Center Community Development Authority ("Authority") was created by ordinance of the City Council of the City of Hampton, Virginia (the "City") to finance certain public infrastructure associated with the redevelopment of the Hampton Coliseum Mall area (the "Infrastructure");

WHEREAS, by Resolution adopted March 8, 2006, the City Council approved a Memorandum of Understanding among the Authority, the City and Hampton Mall Associates, its successors and assigns, in connection with the issuance of special obligation bonds ("Series 2007") to finance the Infrastructure;

WHEREAS, by Non-Coded Ordinance 1026 adopted October 26, 2006, (the "Assessment Ordinance"), the City Council (i) established a special assessment for the Authority (ii) authorized a collection agreement (the "Collection Agreement") among the Authority, the City and Hampton Mall Associates, its successors and assigns (referred to as the "Landowner") setting forth certain agreements relating to the levy of the special assessment and the special ad valorem tax and the collection of revenues all as described in the Memorandum of Understanding, and (iii) specifically expressed that the Collection Agreement could be revised by subsequent resolution of City Council;

WHEREAS, the Assessment Ordinance was amended by Non-Coded Ordinance 1043 dated August 16, 2007 wherein the levy of the special assessment was amended to provide an increase in the maximum amount of the assessment from \$212,178,801.00 to \$232,000,000.00 and a revised Special Assessment Roll levying the assessment in such maximum principal amount was to be attached to the Collection Agreement;

WHEREAS, the Authority is now proposing the issuance of Special Obligation Refunding Bonds, Series 2018 to refund the outstanding Series 2007 Bond obligations of the Authority, extend the maturity of the debt an additional 8 years, and to pay certain costs relating to the issuance of the Series 2018 Bonds;

WHEREAS, the City must approve the Authority's issuance of the Series 2018 Bonds;

WHEREAS, the Authority by Resolution adopted December 5, 2017 and as amended and restated on April 11, 2018 (the "Authority Authorizing Resolution"), authorized the issuance and sale of the Series 2018 Bonds subject to the City's approval;

WHEREAS, the issuance of the Series 2018 Bonds requires that the Memorandum of Understanding and the Collection Agreement be amended to reflect the obligations of the parties to those agreements which now include T Peninsula Axis VA, LLC, T Peninsula Hotel VA, LLC, and

Peninsula Parking Lot VA, LLC in addition to the Authority for the Amended and Restated Memorandum of Understanding, and the Successors and Assigns of Hampton Mall Associates, J. C. Penney Properties, Inc., and Target Corporation in addition to the Authority for the Amended and Restated Collection Agreement; and

WHEREAS, the amendment of the foregoing documents require the consent of the City which is also a party thereto.

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

1. That the issuance of the Series 2018 Bonds by the Authority is approved within the parameters set forth in the Authority Authorizing Resolution;
2. That the Amended and Restated Memorandum of Understanding and the Amended and Restated Collection Agreement are approved in substantially the forms on file with the City Attorney, with such changes, insertions, revisions, completions or omissions (including changes of the date thereof) as may be approved by the City Manager whose approval shall be evidenced conclusively by the execution and delivery of such documents;
3. That the execution and delivery of and performance by the City under the Amended and Restated Memorandum of Understanding and the Amended and Restated Collection Agreement are authorized;
4. That the City Manager is authorized to execute and deliver on behalf of the City the Amended and Restated Memorandum of Understanding and the Amended and Restated Collection Agreement;
5. That the City Manager or her designee is authorized to execute and deliver on behalf of the City such instruments, documents or certificates, and to do and perform such things and acts, as they shall deem necessary or appropriate to carry out the transactions authorized by this Resolution; and all of the foregoing, previously done or performed by such officers or agents of the City, are in all respects approved, ratified and confirmed; and
6. That this Resolution shall be effective upon its adoption.