



MURIEL BOWSER
MAYOR

May 13, 2024

The Honorable Phil Mendelson
Chairman
Council of the District of Columbia
1350 Pennsylvania Avenue, N.W.
Suite 504
Washington, DC 20001

Dear Chairman Mendelson:

Enclosed for consideration and adoption by the Council of the District of Columbia is a proposed resolution entitled "American Association of Colleges and Universities, Revenue Bonds Project Approval Resolution of 2024," the "Resolution".

The Resolution authorizes the issuance, sale, and delivery of tax-exempt revenue bonds, notes, or other obligations in an aggregate principal amount not to exceed \$12,000,000. These bonds will be used for the financing, refinancing, or reimbursing of costs incurred by the American Association of Colleges and Universities for the projects located at 1816 and 1818 R Street NW, in Ward 2.

In accordance with Section 490 of the Home Rule Act, we have determined that the bonds, when, as, and if issued, shall be without recourse to the District. The bonds shall not be general obligations of the District; shall not be a pledge of or involve the full faith and credit or the taxing power of the District; shall not constitute a debt of the District; and shall not constitute a lending of public credit for private undertakings as prohibited in section 602 (a) (2) of the Home Rule Act. The bonds shall not give rise to any pecuniary liability of the District and the District shall have no obligation with respect to the purchase of the bonds.

I urge the Council to take prompt and favorable action on the measure.

Sincerely,

A handwritten signature in black ink, appearing to read "Muriel E. Bowser".

Muriel E. Bowser

Enclosures


Chairman Phil Mendelson
at the request of the Mayor

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A PROPOSED RESOLUTION

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

To authorize and provide for the issuance, sale, and delivery in an aggregate principal amount not to exceed \$12 million of District of Columbia revenue bonds in one or more series and to authorize and provide for the loan of the proceeds of such bonds to assist American Association of Colleges and Universities, in the financing, refinancing, or reimbursing of costs associated with an authorized project pursuant to section 490 of the District of Columbia Home Rule Act.

RESOLVED, BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this resolution may be cited as the “American Association of Colleges and Universities, Revenue Bonds Project Approval Resolution of 2024”.

Sec. 2. Definitions.

For the purpose of this resolution, the term:

(1) “Authorized Delegate” means the Mayor or the Deputy Mayor for Planning and Economic Development, or any officer or employee of the Executive Office of the Mayor to whom the Mayor has delegated or to whom the foregoing individuals have subdelegated any of the Mayor’s functions under this resolution pursuant to section 422(6) of the Home Rule Act.

(2) “Bond Counsel” means a firm or firms of attorneys designated as bond counsel from time to time by the Mayor.

33 (3) "Bonds" means the District of Columbia revenue bonds, notes, or other
34 obligations (including refunding bonds, notes, and other obligations), in one or more series,
35 authorized to be issued pursuant to this resolution.

36 (4) "Borrower" means the owner of the assets financed, refinanced, or reimbursed
37 with proceeds from the Bonds, which shall be American Association of Colleges and Universities,
38 a nonprofit corporation organized and existing under the laws of the District of Columbia, qualified
39 to do business in the District of Columbia, and exempt from federal income taxes under 26 U.S.C. §
40 Section 501(a) as an organization described in 26 U.S.C. § 501(c)(3).

41 (5) "Chairman" means the Chairman of the Council of the District of Columbia.

42 (6) "Closing Documents" means all documents and agreements other than
43 Financing Documents that may be necessary and appropriate to issue, sell, and deliver the Bonds
44 and to make the Loan, and includes agreements, certificates, letters, opinions, forms, receipts, and
45 other similar instruments.

46 (7) "District" means the District of Columbia.

47 (8) "Financing Documents" means the documents other than Closing Documents
48 that relate to the financing, refinancing, or reimbursement of transactions to be effected through the
49 issuance, sale, and delivery of the Bonds and the making of the Loan, including any offering
50 document, and any required supplements to any such documents.

51 (9) "Home Rule Act" means the District of Columbia Home Rule Act, approved
52 December 24, 1973 (87 Stat. 774; D.C. Official Code § 1-201.01 *et seq.*).

53 (10) "Issuance Costs" means all fees, costs, charges, and expenses paid or incurred
54 in connection with the authorization, preparation, printing, issuance, sale, and delivery of the Bonds
55 and the making of the Loan, including, but not limited to, underwriting, legal, accounting, rating

56 agency, and all other fees, costs, charges, and expenses incurred in connection with the development
57 and implementation of the Financing Documents, the Closing Documents, and those other
58 documents necessary or appropriate in connection with the authorization, preparation, printing,
59 issuance, sale, marketing, and delivery of the Bonds and the making of the Loan, together with
60 financing fees, costs, and expenses, including program fees and administrative fees charged by the
61 District, fees paid to financial institutions and insurance companies, initial letter of credit fees (if
62 any), compensation to financial advisors and other persons (other than full-time employees of the
63 District) and entities performing services on behalf of or as agents for the District.

64 (11) "Loan" means the District's lending of proceeds from the sale, in one or more
65 series, of the Bonds to the Borrower.

66 (12) "Project" means the financing, refinancing, or reimbursing of the Borrower for
67 all or a portion of the Borrower's costs incurred in connection with:

68 (A) (i) the costs of the acquisition, renovation, expansion, and
69 construction of the Borrower's headquarters facility located at 1816 and 1818 R Street, N.W.,
70 Washington, D.C. (Square 0134, Lot 0169) (the "Facility"); (ii) the purchase of certain
71 equipment and furnishings for the Facility, together with other property, real and personal,
72 functionally related and subordinate thereto; (iii) financing the costs of re-locating the Borrower
73 from temporary administrative space; (iv) funding any credit enhancement costs, liquidity costs
74 or debt service reserve fund relating to the Bonds; and

75 (B) the funding of certain Issuance Costs.

76 Sec. 3. Findings.

77 The Council finds that:

78 (1) Section 490 of the Home Rule Act provides that the Council may by resolution
79 authorize the issuance of District revenue bonds, notes, or other obligations (including refunding
80 bonds, notes, or other obligations) to borrow money to finance, refinance, or reimburse costs, and to
81 assist in the financing, refinancing, or reimbursing of the costs of undertakings in certain areas
82 designated in section 490 and may effect the financing, refinancing, or reimbursement by loans
83 made directly or indirectly to any individual or legal entity, by the purchase of any mortgage, note,
84 or other security, or by the purchase, lease, or sale of any property.

85 (2) The Borrower has requested the District to issue, sell, and deliver revenue bonds,
86 in one or more series, in an aggregate principal amount not to exceed \$12 million and to make the
87 Loan for the purpose of financing, refinancing, or reimbursing costs of the Project.

88 (3) The Project is located in the District and will contribute to the health, education,
89 safety, or welfare of, or the creation or preservation of jobs for, residents of the District, or to
90 economic development of the District.

91 (4) The Project is an undertaking in the area of commercial development within the
92 meaning of section 490 of the Home Rule Act.

93 (5) The authorization, issuance, sale, and delivery of the Bonds and the Loan to
94 the Borrower are desirable, are in the public interest, will promote the purpose and intent of
95 section 490 of the Home Rule Act, and will assist the Project.

96 Sec. 4. Bond authorization.

97 (a) The Mayor is authorized pursuant to the Home Rule Act and this resolution to assist in
98 financing, refinancing, or reimbursing the costs of the Project by:

99 (1) The issuance, sale, and delivery of the Bonds, in one or more series, in an
100 aggregate principal amount not to exceed \$12 million; and

101 (2) The making of the Loan.

102 (b) The Mayor is authorized to make the Loan to the Borrower for the purpose of financing,
103 refinancing, or reimbursing the costs of the Project and establishing any fund with respect to the
104 Bonds as required by the Financing Documents.

105 (c) The Mayor may charge a program fee to the Borrower, including, but not limited to, an
106 amount sufficient to cover costs and expenses incurred by the District in connection with the
107 issuance, sale, and delivery of each series of the Bonds, the District's participation in the monitoring
108 of the use of the Bond proceeds and compliance with any public benefit agreements with the
109 District, and maintaining official records of each bond transaction and assisting in the redemption,
110 repurchase, and remarketing of the Bonds.

111 (d) The Bond authorization set forth in this resolution includes the authorization to issue
112 refunding Bonds to refinance any Bonds previously issued under this resolution to finance the
113 Project; provided, that the maximum principal amount of Bonds outstanding at any time does not
114 exceed the maximum principal amount of Bonds authorized hereunder.

115 Sec. 5. Bond details.

116 (a) The Mayor and each Authorized Delegate is authorized to take any action reasonably
117 necessary or appropriate in accordance with this resolution in connection with the preparation,
118 execution, issuance, sale, delivery, security for, and payment of the Bonds of each series, including,
119 but not limited to, determinations of:

120 (1) The final form, content, designation, and terms of the Bonds, including a
121 determination that the Bonds may be issued in certificated or book-entry form;

122 (2) The principal amount of the Bonds to be issued and denominations of the
123 Bonds;

124 (3) The rate or rates of interest or the method for determining the rate or rates of
125 interest on the Bonds;

126 (4) The date or dates of issuance, sale, and delivery of, and the payment of interest
127 on the Bonds, and the maturity date or dates of the Bonds;

128 (5) The terms under which the Bonds may be paid, optionally or mandatorily
129 redeemed, accelerated, tendered, called, or put for redemption, repurchase, or remarketing before
130 their respective stated maturities;

131 (6) Provisions for the registration, transfer, and exchange of the Bonds and the
132 replacement of mutilated, lost, stolen, or destroyed Bonds;

133 (7) The creation of any reserve fund, sinking fund, or other fund with respect to the
134 Bonds;

135 (8) The time and place of payment of the Bonds;

136 (9) Procedures for monitoring the use of the proceeds received from the sale of the
137 Bonds to ensure that the proceeds are properly applied to the Project and used to accomplish the
138 purposes of the Home Rule Act and this resolution;

139 (10) Actions necessary to qualify the Bonds under blue sky laws of any jurisdiction
140 where the Bonds are marketed; and

141 (11) The terms and types of credit enhancement, if any, under which the Bonds may
142 be secured.

143 (b) The Bonds shall contain a legend, which shall provide that the Bonds are special
144 obligations of the District, are without recourse to the District, are not a pledge of, and do not
145 involve the faith and credit or the taxing power of the District, do not constitute a debt of the

146 District, and do not constitute lending of the public credit for private undertakings as prohibited in
147 section 602(a)(2) of the Home Rule Act.

148 (c) The Bonds shall be executed in the name of the District and on its behalf by the manual
149 or facsimile signature of the Mayor, and attested by the Secretary of State of the District of
150 Columbia by the Secretary of State of the District of Columbia's manual or facsimile signature. The
151 Mayor's execution and delivery of the Bonds shall constitute conclusive evidence of the Mayor's
152 approval, on behalf of the District, of the final form and content of the Bonds.

153 (d) The official seal of the District, or a facsimile of it, shall be impressed, printed, or
154 otherwise reproduced on the Bonds.

155 (e) The Bonds of any series may be issued in accordance with the terms of a trust instrument
156 to be entered into by the District and a trustee to be selected by the Borrower subject to the approval
157 of the Mayor, and may be subject to the terms of one or more agreements entered into by the Mayor
158 pursuant to section 490(a)(4) of the Home Rule Act.

159 (f) The Bonds may be issued at any time or from time to time in one or more issues and in
160 one or more series.

161 Sec. 6. Sale of the Bonds.

162 (a) The Bonds of any series may be sold at negotiated or competitive sale at, above, or
163 below par, to one or more persons or entities, and upon terms that the Mayor considers to be in the
164 best interest of the District.

165 (b) The Mayor or an Authorized Delegate may execute, in connection with each sale of the
166 Bonds, offering documents on behalf of the District, may deem final any such offering document on
167 behalf of the District for purposes of compliance with federal laws and regulations governing such

168 matters and may authorize the distribution of the documents in connection with the sale of the
169 Bonds.

170 (c) The Mayor is authorized to deliver the executed and sealed Bonds, on behalf of the
171 District, for authentication, and, after the Bonds have been authenticated, to deliver the Bonds to the
172 original purchasers of the Bonds upon payment of the purchase price.

173 (d) The Bonds shall not be issued until the Mayor receives an approving opinion from Bond
174 Counsel as to the validity of the Bonds of such series and, if the interest on the Bonds is expected to
175 be exempt from federal income taxation, the treatment of the interest on the Bonds for purposes of
176 federal income taxation.

177 Sec. 7. Payment and security.

178 (a) The principal of, premium, if any, and interest on, the Bonds shall be payable solely from
179 proceeds received from the sale of the Bonds, income realized from the temporary investment of
180 those proceeds, receipts and revenues realized by the District from the Loan, income realized from
181 the temporary investment of those receipts and revenues prior to payment to the Bond owners, other
182 moneys that, as provided in the Financing Documents, may be made available to the District for the
183 payment of the Bonds, and other sources of payment (other than from the District), all as provided
184 for in the Financing Documents.

185 (b) Payment of the Bonds shall be secured as provided in the Financing Documents and by
186 an assignment by the District for the benefit of the Bond owners of certain of its rights under the
187 Financing Documents and Closing Documents, including a security interest in certain collateral, if
188 any, to the trustee for the Bonds pursuant to the Financing Documents.

189 (c) The trustee is authorized to deposit, invest, and disburse the proceeds received from the
190 sale of the Bonds pursuant to the Financing Documents.

191 Sec. 8. Financing and Closing Documents.

192 (a) The Mayor is authorized to prescribe the final form and content of all Financing
193 Documents and all Closing Documents to which the District is a party that may be necessary or
194 appropriate to issue, sell, and deliver the Bonds and to make the Loan to the Borrower. Each of the
195 Financing Documents and each of the Closing Documents to which the District is not a party shall
196 be approved, as to form and content, by the Mayor.

197 (b) The Mayor is authorized to execute, in the name of the District and on its behalf, the
198 Financing Documents and any Closing Documents to which the District is a party by the Mayor's
199 manual or facsimile signature.

200 (c) If required, the official seal of the District, or a facsimile of it, shall be impressed,
201 printed, or otherwise reproduced on the Financing Documents and the Closing Documents to which
202 the District is a party.

203 (d) The Mayor's execution and delivery of the Financing Documents and the Closing
204 Documents to which the District is a party shall constitute conclusive evidence of the Mayor's
205 approval, on behalf of the District, of the final form and content of said executed Financing
206 Documents and said executed Closing Documents.

207 (e) The Mayor is authorized to deliver the executed and sealed Financing Documents and
208 Closing Documents, on behalf of the District, prior to or simultaneously with the issuance, sale, and
209 delivery of the Bonds, and to ensure the due performance of the obligations of the District contained
210 in the executed, sealed, and delivered Financing Documents and Closing Documents.

211 Sec. 9. Authorized delegation of authority.

212 To the extent permitted by District and federal laws, the Mayor may delegate to any
213 Authorized Delegate the performance of any function authorized to be performed by the Mayor
214 under this resolution.

215 Sec. 10. Limited liability.

216 (a) The Bonds shall be special obligations of the District. The Bonds shall be without
217 recourse to the District. The Bonds shall not be general obligations of the District, shall not be a
218 pledge of or involve the faith and credit or the taxing power of the District, shall not constitute a
219 debt of the District, and shall not constitute lending of the public credit for private undertakings as
220 prohibited in section 602(a)(2) of the Home Rule Act.

221 (b) The Bonds shall not give rise to any pecuniary liability of the District and the District
222 shall have no obligation with respect to the purchase of the Bonds.

223 (c) Nothing contained in the Bonds, in the Financing Documents, or in the Closing
224 Documents shall create an obligation on the part of the District to make payments with respect to
225 the Bonds from sources other than those listed for that purpose in section 7.

226 (d) The District shall have no liability for the payment of any Issuance Costs or for any
227 transaction or event to be effected by the Financing Documents.

228 (e) All covenants, obligations, and agreements of the District contained in this resolution,
229 the Bonds, and the executed, sealed, and delivered Financing Documents and Closing Documents to
230 which the District is a party, shall be considered to be the covenants, obligations, and agreements of
231 the District to the fullest extent authorized by law, and each of those covenants, obligations, and
232 agreements shall be binding upon the District, subject to the limitations set forth in this resolution.

233 (f) No person, including, but not limited to, the Borrower and any Bond owner, shall have
234 any claims against the District or any of its elected or appointed officials, officers, employees, or

235 agents for monetary damages suffered as a result of the failure of the District or any of its elected or
236 appointed officials, officers, employees, or agents to perform any covenant, undertaking, or
237 obligation under this resolution, the Bonds, the Financing Documents, or the Closing Documents, or
238 as a result of the incorrectness of any representation in or omission from the Financing Documents
239 or the Closing Documents, unless the District or its elected or appointed officials, officers,
240 employees, or agents have acted in a willful and fraudulent manner.

241 Sec. 11. District officials.

242 (a) Except as otherwise provided in section 10(f), the elected or appointed officials, officers,
243 employees, or agents of the District shall not be liable personally for the payment of the Bonds or be
244 subject to any personal liability by reason of the issuance, sale or delivery of the Bonds, or for any
245 representations, warranties, covenants, obligations, or agreements of the District contained in this
246 resolution, the Bonds, the Financing Documents, or the Closing Documents.

247 (b) The signature, countersignature, facsimile signature, or facsimile countersignature of
248 any official appearing on the Bonds, the Financing Documents, or the Closing Documents shall
249 be valid and sufficient for all purposes notwithstanding the fact that the individual signatory
250 ceases to hold that office before delivery of the Bonds, the Financing Documents, or the Closing
251 Documents.

252 Sec. 12. Maintenance of documents.

253 Copies of the specimen Bonds and of the final Financing Documents and Closing
254 Documents shall be filed in the Office of the Secretary of State of the District of Columbia.

255 Sec. 13. Information reporting.

256 Within 3 days after the Mayor’s receipt of the transcript of proceedings relating to the
257 issuance of the Bonds, the Mayor shall transmit a copy of the transcript to the Secretary to the
258 Council.

259 Sec. 14. Disclaimer.

260 (a) The issuance of Bonds is in the discretion of the District. Nothing contained in this
261 resolution, the Bonds, the Financing Documents, or the Closing Documents shall be construed as
262 obligating the District to issue any Bonds for the benefit of the Borrower or to participate in or assist
263 the Borrower in any way with financing, refinancing, or reimbursing the costs of the Project. The
264 Borrower shall have no claims for damages or for any other legal or equitable relief against the
265 District, its elected or appointed officials, officers, employees, or agents as a consequence of any
266 failure to issue any Bonds for the benefit of the Borrower.

267 (b) The District reserves the right to issue the Bonds in the order or priority it determines in
268 its sole and absolute discretion. The District gives no assurance and makes no representations that
269 any portion of any limited amount of bonds or other obligations, the interest on which is excludable
270 from gross income for federal income tax purposes, will be reserved or will be available at the time
271 of the proposed issuance of the Bonds.

272 (c) The District, by adopting this resolution or by taking any other action in connection with
273 financing, refinancing, or reimbursing costs of the Project, does not provide any assurance that the
274 Project is viable or sound, that the Borrower is financially sound, or that amounts owing on the
275 Bonds or pursuant to the Loan will be paid. Neither the Borrower, any purchaser of the Bonds, nor
276 any other person shall rely upon the District with respect to these matters.

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278 Sec. 15. Expiration.

279 If any Bonds are not issued, sold, and delivered to the original purchaser within 3 years of
280 the date of this resolution, the authorization provided in this resolution with respect to the issuance,
281 sale, and delivery of the Bonds shall expire.

282 Sec. 16. Severability.

283 If any particular provision of this resolution or the application thereof to any person or
284 circumstance is held invalid, the remainder of this resolution and the application of such provision
285 to other persons or circumstances shall not be affected thereby. If any action or inaction
286 contemplated under this resolution is determined to be contrary to the requirements of applicable
287 law, such action or inaction shall not be necessary for the purpose of issuing of the Bonds, and the
288 validity of the Bonds shall not be adversely affected.

289 Sec. 17. Compliance with public approval requirement.

290 This approval shall constitute the approval of the Council as required in section 147 (f) of
291 the Internal Revenue Code of 1986, as amended, and section 490(k) of the Home Rule Act, for the
292 Project to be financed, refinanced, or reimbursed with the proceeds of the Bonds. This resolution
293 approving the issuance of the Bonds for the Project has been adopted by the Council after a public
294 hearing held in accordance with section 147(f) of the Code, as such section may be amended, and
295 the corresponding regulations promulgated by the United States Department of the Treasury.

296 Sec. 18. Transmittal.

297 The Council shall transmit a copy of this resolution, upon its adoption, to the Mayor.

298 Sec. 19. Fiscal impact statement.

299 The Council adopts the fiscal impact statement in the committee report as the fiscal impact
300 statement required by section 4a of the General Legislative Procedures Act of 1975, approved
301 October 16, 2006 (120 Stat. 2038; D.C. Official Code § 1-301.47a).

302 Sec. 20. Effective date.

303 This resolution shall take effect immediately.

American Association of Colleges and Universities

Revenue Bond Project

FACT SHEET

The American Association of Colleges and Universities (AAC&U) has requested that the District issue up to \$12,000,000 in tax-exempt revenue bonds for costs associated with its headquarters located at 1816 and 1818 R Street NW, in Ward 2.

The Applicant

Founded in 1915, the American Association of Colleges and Universities is a global membership organization dedicated to advancing the vitality and democratic purposes of undergraduate liberal education.

Through its programs and events, publications and research, public advocacy and campus-based projects, AAC&U serves as a catalyst and facilitator for innovations that improve educational quality and equity and that support the success of students.

Proposed Project

The Project is comprised of the following:

- (1) the acquisition, renovation, expansion, construction, furnishing, and equipping of AAC&U's headquarters facility located at 1816 and 1818 R Street NW;
- (2) financing the costs of re-locating from temporary administrative space; and
- (3) financing the costs of issuance and credit enhancement costs and working capital

Financing Plan

A summary of the proposed sources and uses of funds is attached (see Table 1).

Feasibility/Structure/Security of the Bonds

US Bank, trustee for the transaction, has reviewed the financial records and has deemed this transaction financially feasible. The bonds will not be a general

obligation of the District and will be the total responsibility of the American Association of Colleges and Universities.

Public Purpose Benefits

Headquartered in Washington, DC, since 1948, the American Association of Colleges and Universities regularly brings visitors to the Washington, DC, metropolitan area. Over the past several decades the annual meeting of the association has been held biennially in downtown Washington, attracting up to 2,000 faculty, staff, and administrators from colleges and universities across the United States and around the world.

Legal and Regulatory Affairs

The law offices of Tiber Hudson, bond counsel to the DC Revenue Bond Program, has preliminarily determined that the applicant is a 501(c)(3) and this project constitutes a permissible undertaking under Section 490(a)(1) of the District of Columbia Home Rule Act.

Based on the foregoing, OAG, Bond Counsel, and the IRB program have determined that the proposed project complies with criteria for approval of a proposed financing through the District's Revenue Bond Program,

FINANCING PLAN

**TABLE 1
PROPOSED SOURCES AND USE OF FUNDS**

SOURCES OF FUNDS	
Bond Proceeds	\$12,000,000
Total Sources of Funds	\$12,000,000
USES OF FUNDS	
Building Renovation	\$11,635,000
Relocation	\$125,000
Cost of Issuance	\$240,000
Total Uses of Funds	\$12,000,000

GOVERNMENT OF THE DISTRICT OF COLUMBIA
OFFICE OF THE ATTORNEY GENERAL



Commercial Division
Tax & Finance Section

MEMORANDUM

TO: William Liggins
Director, Revenue Bond Program
Office of the Deputy Mayor for Planning and Economic Development

FROM: Patrick Allen
Senior Assistant Attorney General
Commercial Division

DATE: February 15, 2024

SUBJECT: Legal Sufficiency Certification of the “American Association of Colleges
and Universities Revenue Bonds Project Approval Resolution of 2024”.

This is to certify that the Commercial Division has reviewed the above-referenced resolution and found it to be legally sufficient. If you have any questions in this regard, please do not hesitate to call me at (202) 724-7754.

Patrick Allen
Patrick Allen
Senior Assistant Attorney General