



# LIBRARY LEASE AGREEMENT

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*City of Petersburg*  
VIRGINIA



# On March 12, 2013 the Petersburg City Council authorized City Manager William Johnson to execute an Amended Memorandum of Agreement and Library Lease



**DATE:** March 12, 2013  
**TO:** The Honorable Mayor and Members of City Council  
**THROUGH:** William E. Johnson III, City Manager  
**FROM:** Irvin Carter, Jr, Director of Finance *Irvin Carter, Jr*  
**RE:** Consideration of authorizing the City Manager to execute an Amended Memorandum of Agreement and Library Lease between the City of Petersburg and the Petersburg Library Foundation

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**PURPOSE:** To Consider approval of the Amended Memorandum of Agreement (MOA) and Library Lease between the City of Petersburg and the Petersburg Library Foundation (PLF) and granting the City Manager authorization to execute those documents on behalf of the City.

**REASON:** The original MOA was never fully executed between the City Manager and the PLF. This action will allow the City Manager to execute these documents with the respective amendments to the original agreement.

**RECOMMENDATION:** Recommend Council authorize the City Manager to execute the attached Amended Memorandum of Agreement and Library Lease with the Petersburg Library Foundation.

**BACKGROUND:** The previous Memorandum of Agreement was never fully executed and changes have been made to both the MOA and the Library Lease with the Library Foundation. This is an effort by Administration to reflect these necessary changes that continue to protect the interests of the City and apprise Council of those changes through executed agreements between the City and PLF.

**COST TO CITY:** None

**BUDGETED ITEM:** yes

**REVENUE TO CITY:** N/A

**CITY COUNCIL HEARING DATE:** March 19, 2013

**CONSIDERATION BY OTHER GOVERNMENT ENTITIES:** None

# INCLUDED IN THE AGENDA ITEMS



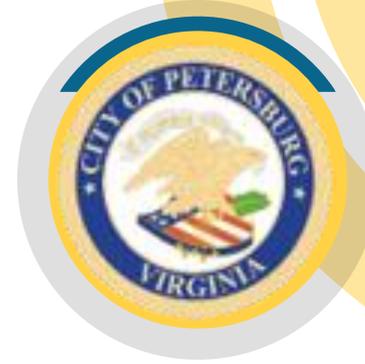
## **BOND RESOLUTION & AGREEMENT**

Resolution Authorizing the Issuance of General Obligation Bonds to Refund Prior Issued Bonds and established Payment schedule



## **RESOLUTION OF AGREEMENT AND SUBLEASE**

Resolution of the City Council approving and amended and restated memorandum of agreement and a facility sublease agreement with the Petersburg Library Foundation, Inc, in connection with the construction of the new library.



## **AMENDED AND RESTATE MEMORANDUM OF AGREEMENT**

Updated agreement between Petersburg Library and the City on the terms and conditions of the sale and lease of the Library



## **FACILITY SUBLEASE AGREEMENT**

Lease agreement that spells out the estimated lease amounts to cover the cost of the Library

# Bond Resolution & Agreement

Standard agreement authorizing the City to issue and sell its general obligation bond in one or more series and refund other bonds.

## **A RESOLUTION AUTHORIZING THE ISSUANCE AND SALE BY THE CITY OF PETERSBURG, VIRGINIA, OF ONE OR MORE SERIES OF GENERAL OBLIGATION BONDS TO REFUND PRIOR ISSUED BONDS OF THE CITY, AND ESTABLISHING THE TERMS, DETAILS, AND PROVISIONS FOR THE PAYMENT OF SUCH BONDS**

**WHEREAS**, the City Council (the "Council") of the City of Petersburg, Virginia (the "City") has determined that it is desirable for the City to issue and sell its general obligation bonds (the "Refunding Bonds") in one or more series and to use the proceeds of the sale of the Refunding Bonds, along with other available funds, if any, to (i) refund all or a portion of the refundable portion of the City's \$860,000 Taxable General Obligation Bond, Series 2013A (the "Prior Bond") and (ii) and to pay the costs of issuance of the Refunding Bonds;

**WHEREAS**, on February 28, 2012, the Council adopted Resolution 12-R-19 (the "Library Funding Resolution"), which authorized the issuance and sale by the City of up to \$5,000,000 in general obligation bonds ("Library Funding Bonds") to finance, among other things, a portion of the costs of the new Petersburg Public Library (the "Library Project");

**WHEREAS**, on January 29, 2013, the City issued the Prior Bond pursuant to the Library Funding Resolution;

**WHEREAS**, pursuant to a competitive process, the City has received an offer to purchase up to \$5,000,000 in the aggregate of Refunding Bonds and Library Funding Bonds from SunTrust Bank ("SunTrust") pursuant to a proposal dated March 5, 2013 (the "Proposal"), and a copy of the Proposal is on file in the City's records; and

**WHEREAS**, no public hearing on the issuance of the Refunding Bonds is required under the Code of Virginia (1950), as amended (the "Virginia Code").

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

1. **Authorization of Issuance of Refunding Bonds.** The Council determines that it is advisable to contract a debt and to issue and sell the Refunding Bonds in one or more series in the maximum aggregate principal amount of \$1,000,000. The issuance and sale of the Refunding Bonds is authorized on the terms and conditions set forth herein, and in accordance with Section 15.2-2601 of the Virginia Code, the Council elects to issue the Refunding Bonds pursuant to the provisions of the Public Finance Act of 1991, as amended. The proceeds from the issuance and sale of the Refunding Bonds will be used to (i) refund all or a portion of the refundable portion of the Prior Bond and (ii) and to pay the costs of issuance of the Refunding Bonds. The Refunding Bonds of each series shall be given such designation as the City Manager determines to be appropriate. The Refunding Bonds of each series may be issued as a single Bond or several Refunding Bonds.

2. **Pledge of Full Faith and Credit.** The Refunding Bonds shall be general obligations of the City to which the full faith and credit of the City are irrevocably pledged for the payment of the principal of, premium, if any, and interest thereon. The Council is authorized to and shall levy and collect annually, at the same time and in the same manner as other taxes of

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# Resolution & Sublease Agreement

Discusses the anticipated construction cost of \$13 Million all inclusive.

- Commits to the City providing \$5 Million(Grant Funds) to support the construction of the Project
- State the New Market Tax Credit will general \$2.5 Million
- An \$2.3 Million Bridge Loan form Local Initiative Support Cooperation

McGuireWoods LLP Draft of 03/14/2013

## AMENDED AND RESTATED MEMORANDUM OF AGREEMENT

THIS AMENDED AND RESTATED MEMORANDUM OF AGREEMENT (this "Agreement") is entered into this \_\_\_\_ day of March, 2013, between the City of Petersburg, a Virginia municipal corporation (the "City"), and The Petersburg Library Foundation, Incorporated, a Virginia non-profit, nonstock corporation (the "Foundation").

WHEREAS, the City Council of the City (the "City Council") and the Administration of the City have determined that there is a need in the City for a new main library (the "New Library") to replace the existing main library (the "Old Library"), that is located at 137 South Sycamore Street, and has been the main library for the City since 1924; and

WHEREAS, the Foundation has acquired a parcel of property (the "Property") at the northwest corner of West Washington Street and Market Street in the City of Petersburg on which the Foundation intends to construct the New Library; and

WHEREAS, the purchase price of the Property was \$400,000; and

WHEREAS, the City provided to the Foundation \$400,000 to support the cost of purchasing the Property pursuant to a resolution of City Council adopted September 2, 2008 (the "2008 Resolution"); and



## ACCORDING TO THE RESOLUTION

- “in January 2013, the City was informed that the contractor for the Library was threatening to stop construction unless it was paid, and, due to cash shortfalls of the Foundation, the Foundation was unable to pay the contractors, so at the Foundation request, the City approved an advance of the City Funds in the amount of \$860,000 to keep construction of the Library on schedule and prevent construction cost from increasing.”  
Resolution Page #3



# Amended & Restated Memorandum of Agreement

Define the terms and payment schedule of  
the lease.

Notable the original payments was based on  
a 20-year Payment Plan

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## FACILITY SUBLEASE AGREEMENT

by and between

**THE PETERSBURG LIBRARY FOUNDATION, INCORPORATED**  
A Virginia nonstock corporation

as Landlord

and

**THE CITY OF PETERSBURG, VIRGINIA**  
A municipal corporation of the Commonwealth of Virginia  
as Subtenant

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Dated as of \_\_\_\_ 1, 2013

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# AMENDED & RESTATED MEMORANDUM OF AGREEMENT

Presented and Approved

Signed and In Place

2015	\$103,000
2016	\$103,000
2017	\$103,000
2018	\$103,000
2019	\$103,000
2020	\$103,000
2021	\$210,000
2022	\$210,000
2023	\$210,000
2024	\$210,000
2025	\$210,000
2026	\$210,000
2027	\$210,000
2028	\$210,000
2029	\$210,000
2030	\$210,000
2031	\$210,000
2032	\$210,000
2033	\$210,000
2034	\$210,000
2035	\$210,000
2036	\$210,000
2037	\$210,000
2038	\$210,000
2039	\$210,000
2040	\$210,000
2041	\$210,000
2042	\$210,000
2043	\$210,000
2044	-
2045	-
2046	-

<u>Lease Year</u>	<u>Annual Base Rent</u>
2013	\$ 16,000*
2014	\$ 96,000
2015	\$ 96,000
2016	\$ 96,000
2017	\$ 96,000
2018	\$ 96,000
2019	\$ 96,000
2020	\$140,000
2021	\$557,000
2022	\$557,000
2023	\$557,000
2024	\$557,000
2025	\$557,000
2026	\$557,000
2027	\$557,000
2028	\$557,000
2029	\$557,000
2030	\$557,000
2031	\$557,000
2032	\$557,000
2033	\$557,000

\*estimate of prorated amount

