



What is a Community Development Authority?

- A CDA is a geographic district authorized by the City Council or County Board of Supervisors upon petition by a majority of property owners
- CDAs are granted the power to finance, fund, establish, acquire, construct, equip, operate and maintain infrastructure improvements
- Improvements include roads, bridges, parking facilities, curbs, gutters, sidewalks, traffic signals, storm water management and retention systems, gas and electric lines, street lights

How is a CDA Bond Repaid?

- Assessments - Bonds issued by the CDA can be repaid through assessments levied upon the property owners within the boundaries of the CDA district
- Tax Increment Financing (TIF) - City (or County) can agree to pay over all or a portion of tax incremental revenues.
- Combination - CDA with underlying special assessment and TIF overlay.

Is the City or County Liable for CDA Bonds?

- The incurred debt or obligation of the CDA is not the debt or obligation of the City
- The City is basically prohibited from using government funds for repayment unless an agreement between City and CDA is entered into before the sale of the bonds

What is Tax Increment Financing (TIF)?

- CDA with TIF overlay created to finance infrastructure supporting economic development & job creation
- Incremental increase in tax revenue can be used to pay debt service on bonds and to provide for “enhanced services”

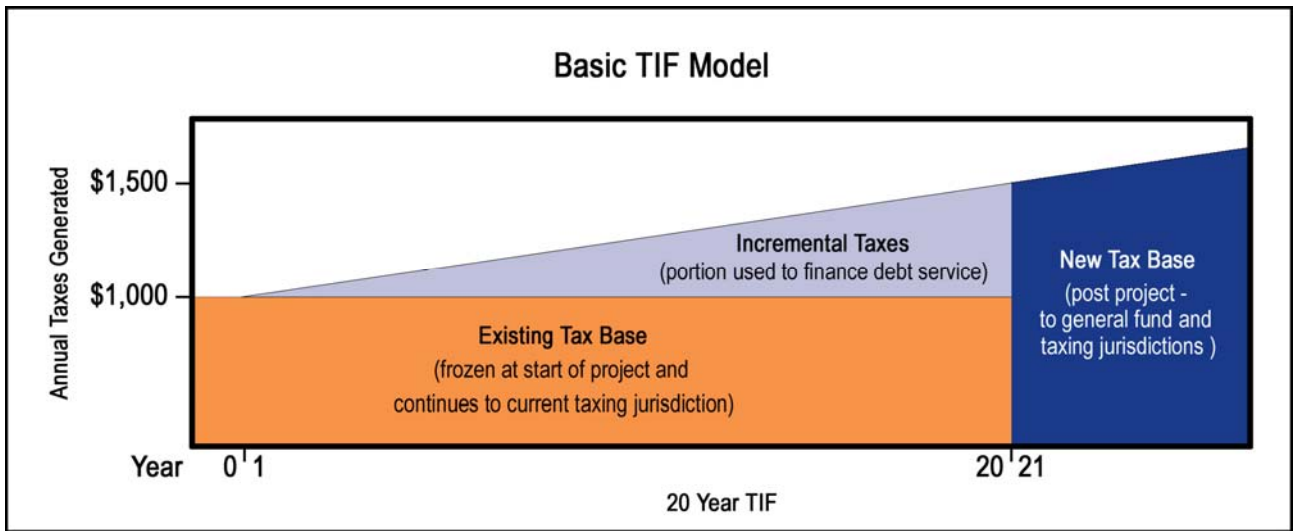
Benefits of TIF?

- Stimulates investment or reinvestment of capital
- Facilitates job creation
- Increases tax revenue to City
- Enables construction of higher-level infrastructure sooner without general tax dollars or liability to City



Types of TIF Projects and Project Considerations

- Redevelopment of outdated retail mall, industrial or business park, community's urban core, brownfield or landfill parcels or former military bases
- Development of mixed-use community, professional sports or multi-use arena, hotel and / or convention center complex
- Political considerations include depth of political support for project, change of governing body or community opinion makers, education and communication of TIF benefits to stakeholders





Comparison of General Obligation Bond Ratings of Virginia Localities ¹ (Pre-Community Development Authority Bond Rating versus Current Bond Rating)								
General Obligation Bond Ratings of Locality								
Locality	Community Development Authority	Dated Date of CDA Bonds	Par Amount of CDA Bonds at Issuance	Moody's Ratings		S&P's Ratings		Rating Change Summary ³
				Pre-CDA ²	Current	Pre-CDA ²	Current	
Loudoun County	Dulles Town Center	5/1/1998	\$36,560,000	Aaa	Aaa	AA-	AAA	1 Upgrade
Prince William County	Virginia Gateway	2/18/1999	6,663,000	Aa2	Aa1	AA ⁴	AAA ⁴	2 Upgrades
Prince William County	Heritage Hunt Commercial	12/1/1999	10,715,000	Aa2	Aa1	AA ⁴	AAA ⁴	2 Upgrades
Hanover County	Bell Creek	1/15/2003	15,980,000	Aa1	Aa1	AA	AAA	1 Upgrade
City of Richmond	Broad Street	5/15/2003	66,740,000	Aa3	Aa3	AA	AA	No Changes
Henrico County	Short Pump Town Center	9/1/2003	25,495,000	Aaa	Aaa	AAA	AAA	No Changes
Stafford County	Celebrate Virginia North	12/11/2003	31,000,000	Aa3	Aa3	A+	AA-	1 Upgrade
Prince William County	Virginia Gateway	12/16/2003	7,040,000	Aa1	Aa1	AA+ ⁴	AAA ⁴	1 Upgrade
City of Portsmouth	New Port	5/24/2006	16,240,000	A1	A1	AA-	AA-	No Changes
City of Fredericksburg	Celebrate Virginia South	6/21/2006	25,000,000	Aa3	Aa3	AA-	AA-	No Changes
New Kent County	The Farms of New Kent	9/19/2006	85,666,000	None	None	None	None	N/A
City of Hampton	H20	4/25/2007	9,440,000	Aa2	Aa2	AA	AA	No Changes
City of Manassas Park	Park Center	5/11/2007	12,350,000	A2	A2	A+	AA-	1 Upgrade
Henrico County	Reynolds Crossing	6/19/2007	14,594,000	Aaa	Aaa	AAA	AAA	No Changes
Frederick County	Russell 150	7/30/2007	21,155,000	None	None	None	None	N/A
City of Hampton	Peninsula Town Center	9/6/2007	92,850,000	Aa2	Aa2	AA	AA	No Changes
Henrico County	The Shops at White Oak Village	10/2/2007	23,870,000	Aaa	Aaa	AAA	AAA	No Changes
Hanover County	Lewistown	10/11/2007	37,675,000	Aa1	Aa1	AA+	AAA	No Changes
Chesterfield County	Watkins Centre	10/24/2007	20,000,000	Aaa	Aaa	AAA	AAA	No Changes
York County	Marquis	11/15/2007	32,860,000	Aa2	Aa2	AA	AA	No Changes
Notes:								
¹ This list may not include all CDA Bond financings and the information contained herein has been obtained from various sources and may contain inaccuracies.								
² The "Pre-CDA" general obligation bond ratings were the last ratings released by the respective rating agencies prior to the issuance of CDA Bonds. The ratings may have been released at different points in time by Moody's, S&P and Fitch which may explain the disparity in ratings between the rating agencies. For example, Moody's "Pre-CDA" rating for Loudoun County was "Aaa" while S&P's "Pre-CDA" rating for Loudoun County was "AA-".								
³ A change or lack of a change in a locality's underlying general obligation bond rating is not meant to imply that the issuance of CDA Bonds within a given locality was or was not a factor in the change or lack of a change in a rating.								
⁴ Rating for Prince William County from Fitch Ratings. S&P has no general obligation rating for the County.								



STONE &
YOUNGBERG

Kenneth E. Powell
Virginia Municipal League Annual Conference
October 20, 2009
Roanoke, Virginia

Contact Information

Kenneth E. Powell
Managing Director
Stone & Youngberg, LLC
901 East Byrd Street, Suite 1150
Richmond, VA 23219
(804) 727-6764
kpowell@syllc.com