

B-2014-46

**CITY OF WINCHESTER, VIRGINIA**

**PROPOSED CITY COUNCIL AGENDA ITEM**

**CITY COUNCIL/COMMITTEE MEETING OF:** October 28, 2014 **CUT OFF DATE:** \_\_

**RESOLUTION**  X  **ORDINANCE**      **PUBLIC HEARING**    

**ITEM TITLE:** Resolution of the Common Council of the City of Winchester, Virginia on the Issuance of up to \$55,000,000 of Revenue Bonds by the Economic Development Authority of the City of Winchester, Virginia for the Benefit of Westminster-Canterbury of Winchester, Inc.

**STAFF RECOMMENDATION:** Approval of the attached resolution

**PUBLIC NOTICE AND HEARING:** N/A

**ADVISORY BOARD RECOMMENDATION:** The Economic Development Authority recommends the City's approval of this resolution

**FUNDING DATA:** N/A

**INSURANCE:** N/A

The initiating Department Director will place below, in sequence of transmittal, the names of each department that must initial their review in order for this item to be placed on the City Council agenda.

<u>DEPARTMENT</u>	<u>INITIALS FOR APPROVAL</u>	<u>INITIALS FOR DISAPPROVAL</u>	<u>DATE</u>
1. Finance _____	<u>TS</u>	_____	<u>10-10-14</u>
2. _____	_____	_____	_____
3. _____	_____	_____	_____
4. City Attorney _____	<u>[Signature]</u>	_____	<u>10/13/2014</u>
5. City Manager _____	<u>TS</u>	_____	<u>13 Oct 2014</u>
6. Clerk of Council _____	_____	_____	_____

Initiating Department Director's Signature: [Signature] \_\_\_\_\_ Date: 10/10/14

Economic Development Coordinator



**APPROVED AS TO FORM:**

[Signature] 10/13/2014  
**CITY ATTORNEY**

# CITY COUNCIL ACTION MEMO

**To:** Honorable Mayor and Members of City Council  
**From:** Tyler Schenck, Economic Development Coordinator  
**Date:** 10/28/2014  
**Re:** Resolution of the Common Council of the City of Winchester, Virginia on the Issuance of up to \$55,000,000 of Revenue Bonds by the Economic Development Authority of the City of Winchester, Virginia for the Benefit of Westminster-Canterbury of Winchester, Inc.

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**THE ISSUE:** As the governing entity of the EDA, the Common Council must approve the attached approval resolution prior to the EDA's issuance of any bonds

**RELATIONSHIP TO STRATEGIC PLAN:** Goal 1 – Grow the Economy.

**BACKGROUND:** Westminster-Canterbury of Winchester, Inc. have requested the Economic Development Authority of the City of Winchester to issue a series of its revenue bonds to finance certain capital improvements at the Company's facilities, to refund the outstanding principal amount of the Residential Care Facility Revenue Bonds Series 2005A, to fund capitalized interest on the Bond and to finance costs of issuance.

This matter will be placed upon the Economic Development Authority of the City of Winchester's agenda for November 4th, 2014 meeting, on which a public hearing will be held by the EDA as required by applicable law.

**BUDGET IMPACT:** N/A

**OPTIONS:** Council may approve or disapprove the Resolution

**RECOMMENDATIONS:** City Staff recommends that the Common Council approve the Resolution

**EXHIBIT C**

**RESOLUTION  
OF THE COMMON COUNCIL OF THE CITY OF WINCHESTER, VIRGINIA  
ON THE ISSUANCE OF UP TO \$55,000,000 OF REVENUE BONDS  
BY THE ECONOMIC DEVELOPMENT AUTHORITY OF  
THE CITY OF WINCHESTER, VIRGINIA  
FOR THE BENEFIT OF WESTMINSTER-CANTERBURY OF WINCHESTER, INC.**

WHEREAS, the Economic Development Authority of the City of Winchester, Virginia (the "Authority") has approved the application of Westminster-Canterbury of Winchester, Inc. (the "Company"), a Virginia non-stock, not-for-profit corporation, requesting that the Authority issue up to \$55,000,000 of its revenue bonds in one or more series at one time or from time to time (the "Bonds") to assist the Company to:

(a) finance certain capital improvements at the Company's facilities (the "Facilities") located at 300 Westminster Canterbury Drive, Winchester, Virginia 22603, and a portion of which is located in Frederic County, Virginia, including, but not limited to, (i) the construction and equipping of a new approximately 15,900 square foot two story health care center consisting of 22 skilled nursing beds, (ii) the construction and equipping of a new approximately 12,100 square foot two story building, which will include a fitness center, dining facilities, multipurpose rooms, office space and recreational space, (iii) the renovation of approximately 37,000 square feet of the existing health care center and the addition of approximately 2,300 square feet, (iv) the renovation of approximately 6,000 square feet of existing buildings located on the Facilities to provide additional administrative and office space, (v) the renovation of the existing loading dock servicing the Facilities, (vi) renovations to existing courtyards located at the Facilities and (vii) other routine capital improvements at the Facilities (collectively, the "Project");

(b) refund the outstanding principal amount of the Residential Care Facility Revenue Bonds (Westminster-Canterbury of Winchester, Inc.), Series 2005A (the "Series 2005A Bonds") originally issued by the Authority for the purpose of (i) financing certain capital improvements at the Facilities, including the acquisition, construction, renovation and expansion of (A) approximately 64 independent living apartments in an approximately 177,000 square foot residential building, (B) an approximately 15,000 square foot vitality center including fitness, pool and recreational areas, (C) existing dining, kitchen and fitness areas at the Facilities and (D) other capital improvements at the Facilities and (ii) refunding the outstanding principal amount of the Authority's Residential Care Facility First Mortgage Revenue Bonds (Westminster-Canterbury of Winchester, Inc.), Series 1998, which were originally issued for the purposes of refunding the Authority's Replacement Bonds (Westminster-Canterbury of Winchester, Inc.), Series 1991, which were originally issued to refund the Authority's Residential Care Facility First Mortgage Revenue Bonds (Westminster-Canterbury of Winchester, Inc.), Series 1985, which were originally issued to (A) finance the acquisition,

construction and equipping of the Facilities, (B) finance the construction and equipping of an approximately 47,000 square foot independent living apartment building at the Facilities, and (C) finance the costs of renovations to the health center;

(c) fund capitalized interest on the Bonds; and

(d) finance costs of issuance incurred in connection with the refunding of the Series 2005A Bonds and the issuance of the Bonds (collectively, the "Plan of Finance");

WHEREAS, the Authority held a public hearing on November 4, 2014;

WHEREAS, Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), provides that the governmental unit having jurisdiction over the issuer of private activity bonds and over the area in which any facility financed with the proceeds of private activity bonds is located must approve the issuance of the bonds;

WHEREAS, the Authority issues its bonds on behalf of the City of Winchester, Virginia (the "City"), a portion of the Project is located in the City and the Common Council of Winchester (the "Council"), constitutes the highest elected governmental unit of the City;

WHEREAS, the Authority has recommended that the Council approve the Plan of Finance and the issuance of the Bonds; and

WHEREAS, a copy of the Authority's resolution approving the issuance of the Bonds, subject to the terms to be agreed upon, a certificate of the public hearing and a Fiscal Impact Statement have been filed with the Council.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF WINCHESTER:

1. The Council approves the issuance of the Bonds, in an aggregate principal amount up to \$55,000,000, by the Authority for the benefit of the Company, solely to the extent required by Section 147(f) of the Code and Section 15.2-4906 of the Code of Virginia of 1950, as amended, to permit the Authority to assist in accomplishing the Plan of Finance.

2. The approval of the issuance of the Bonds does not constitute an endorsement to a prospective purchaser of the Bonds of the creditworthiness of the Plan of Finance or the Company. In accordance with the Act, the Bonds shall not be deemed to constitute a debt or a pledge of the faith and credit or taxing power of the Commonwealth or any political subdivision thereof, including the Authority and the City.

3. This resolution shall take effect immediately upon its adoption.

Adopted by the Common Council of Winchester this \_\_\_\_ day of November, 2014.

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Common Council of Winchester  
City of Winchester, Virginia

[SEAL]

**BRYAN & COLEMAN, P.L.C.**  
**ATTORNEYS AT LAW**

116 SOUTH BRADDOCK STREET  
WINCHESTER, VIRGINIA 22601  
TELEPHONE: (540) 545-4130  
FAX: (540) 545-4131

MICHAEL L. BRYAN, ESQUIRE

Email: mbryan2@earthlink.net

October 9, 2014

**Hand Delivered:**

Tyler Schenck  
Economic Development Coordinator  
33 East Boscawen Street  
Winchester, Virginia 22601

RE: Westminster-Canterbury of Winchester, Inc. Bond Issue

Dear Tyler:

Westminster-Canterbury of Winchester, Inc. is seeking the issuance of up to \$55,000,000.00 of Revenue Bonds by the Economic Development Authority of the City of Winchester, Virginia (the "EDA") to finance certain capital improvements at the Company's facilities located at 300 Westminster-Canterbury Drive, Winchester, Virginia 22603, to refund the outstanding principal amount of the Residential Care Facility Revenue Bonds (Westminster-Canterbury of Winchester, Inc.) Series 2005A originally issued by the Authority, to fund capitalized interest on the Bond and to finance costs of issuance. This matter will be placed upon the EDA's agenda for the EDA meeting to be held on November 4, 2014, on which date a public hearing will be held by the Authority as required by applicable law (the "TEFRA Hearing").

Immediately after the EDA meeting on November 4<sup>th</sup>, I will forward a packet of documents to the Common Council for its consideration and hopefully its approval at its November 11<sup>th</sup> meeting. The packet of documents will include the Resolution considered by the Authority, the Certificate concerning the proceedings held during the EDA meeting, a copy of the TEFRA Notice and a Fiscal Impact Statement. In addition, the Common Council will be asked to consider the adoption of a Resolution, a copy of which is enclosed marked Exhibit C. A draft set of these documents is enclosed.

The action which is requested by Common Council at its meeting on November 11<sup>th</sup> is the adoption of the enclosed Resolution (Exhibit C). Please place this matter on the Common Council agenda for the next available Work Session of Common Council so that the matter may

be considered and hopefully advanced to the regular monthly meeting of Common Council on November 11<sup>th</sup>. If there are any questions about this matter, please get in touch with me right away.

Thank you.

Very truly yours,

A handwritten signature in blue ink, consisting of several loops and a long horizontal stroke extending to the right.

Michael L. Bryan  
MLB/pmn

Enclosures

November 4, 2014

Common Council of Winchester  
City of Winchester, Virginia  
Rouss City Hall  
15 North Cameron Street  
Winchester, Virginia 22601

**Economic Development Authority of the City of Winchester, Virginia  
Approval of Proposed Revenue Bond Financing  
for Westminster-Canterbury of Winchester, Inc.**

Westminster-Canterbury of Winchester, Inc. (the "Company"), a Virginia non-stock, not-for-profit corporation, whose principal place of business is 300 Westminster-Canterbury Drive, Winchester, Virginia 22603, has requested that the Economic Development Authority of the City of Winchester, Virginia (the "Authority") issue up to \$55,000,000 of its revenue bonds, in one or more series at one time or from time to time (the "Bonds"), the proceeds of which will be loaned to the Company to:

(a) finance certain capital improvements at the Company's facilities (the "Facilities") located at 300 Westminster Canterbury Drive, Winchester, Virginia 22603, and a portion of which is located in Frederick County, Virginia, including, but not limited to, (i) the construction and equipping of a new approximately 15,900 square foot two story health care center consisting of 22 skilled nursing beds, (ii) the construction and equipping of a new approximately 12,100 square foot two story building, which will include a fitness center, dining facilities, multipurpose rooms, office space and recreational space, (iii) the renovation of approximately 37,000 square feet of the existing health care center and the addition of approximately 2,300 square feet, (iv) the renovation of approximately 6,000 square feet of existing buildings located on the Facilities to provide additional administrative and office space, (v) the renovation of the existing loading dock servicing the Facilities, (vi) renovations to existing courtyards located at the Facilities and (vii) other routine capital improvements at the Facilities;

(b) refund the outstanding principal amount of the Residential Care Facility Revenue Bonds (Westminster-Canterbury of Winchester, Inc.), Series 2005A (the "Series 2005A Bonds") originally issued by the Authority for the purpose of (i) financing certain capital improvements at the Facilities, including the acquisition, construction, renovation and expansion of (A) approximately 64 independent living apartments in an approximately 177,000 square foot residential building, (B) an approximately 15,000 square foot vitality center including fitness, pool and recreational areas, (C) existing

dining, kitchen and fitness areas at the Facilities and (D) other capital improvements at the Facilities and (ii) refunding the outstanding principal amount of the Authority's Residential Care Facility First Mortgage Revenue Bonds (Westminster-Canterbury of Winchester, Inc.), Series 1998, which were originally issued for the purposes of refunding the Authority's Replacement Bonds (Westminster-Canterbury of Winchester, Inc.), Series 1991, which were originally issued to refund the Authority's Residential Care Facility First Mortgage Revenue Bonds (Westminster-Canterbury of Winchester, Inc.), Series 1985, which were originally issued to (A) finance the acquisition, construction and equipping of the Facilities, (B) finance the construction and equipping of an approximately 47,000 square foot independent living apartment building at the Facilities, and (C) finance the costs of renovations to the health center;

(c) fund capitalized interest on the Bonds; and

(d) finance costs of issuance incurred in connection with the refunding of the Series 2005A Bonds and the issuance of the Bonds (collectively, the "Plan of Finance").

As set forth in the approving resolution of the Authority attached hereto (the "Resolution"), the Authority has authorized the issuance of the Bonds to accomplish the Plan of Finance. The Authority has conducted a public hearing on the Plan of Finance and has recommended that you approve the Plan of Finance and the issuance of the Bonds by the Authority as required by Section 147(f) of the Internal Revenue Code of 1986, as amended, and Section 15.2-4906 of the Code of Virginia of 1950, as amended (the "Virginia Code").

Attached hereto is (1) a certificate evidencing the conduct of the public hearing and the action taken by the Authority, (2) the Fiscal Impact Statement required pursuant to Section 15.2-4907 of the Virginia Code, (3) the form of resolution suggested by counsel to evidence your approval and (4) a copy of the Authority's resolution authorizing the issuance of the Bonds to accomplish the Plan of Finance.

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Secretary, Economic Development Authority of the  
City of Winchester, Virginia

**RESOLUTION OF THE ECONOMIC DEVELOPMENT AUTHORITY  
OF THE CITY OF WINCHESTER, VIRGINIA  
AUTHORIZING THE ISSUANCE OF UP TO \$55,000,000  
REVENUE BONDS FOR THE BENEFIT OF  
WESTMINSTER-CANTERBURY OF WINCHESTER, INC.**

WHEREAS, the Economic Development Authority of the City of Winchester, Virginia, a political subdivision of the Commonwealth of Virginia (the "Authority"), is empowered by the Industrial Development and Revenue Bond Act, Chapter 49, Title 15.2, Code of Virginia of 1950, as amended (the "Act"), to issue its revenue bonds to protect and promote the health and welfare of the inhabitants of the Commonwealth of Virginia by assisting in the financing and refinancing of medical facilities and facilities for the residence or care of the aged, owned and operated by organizations which are exempt from federal income taxation pursuant to Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code");

WHEREAS, the Authority has received a request from Westminster-Canterbury of Winchester, Inc., a Virginia non-stock, not-for-profit corporation (the "Company"), requesting that the Authority issue its revenue bonds, in one or more series at one time or from time to time, to assist the Company in:

(a) financing certain capital improvements at the Company's facilities (the "Facilities") located at 300 Westminster Canterbury Drive, Winchester, Virginia 22603, and a portion of which is located in Frederick County, Virginia, including, but not limited to, (i) the construction and equipping of a new approximately 15,900 square foot two story health care center consisting of 22 skilled nursing beds, (ii) the construction and equipping of a new approximately 12,100 square foot two story building, which will include a fitness center, dining facilities, multipurpose rooms, office space and recreational space, (iii) the renovation of approximately 37,000 square feet of the existing health care center and the addition of approximately 2,300 square feet, (iv) the renovation of approximately 6,000 square feet of existing buildings located on the Facilities to provide additional administrative and office space, (v) the renovation of the existing loading dock servicing the Facilities, (vi) renovations to existing courtyards located at the Facilities and (vii) other routine capital improvements at the Facilities (collectively, the "Project");

(b) refunding the outstanding principal amount of the Residential Care Facility Revenue Bonds (Westminster-Canterbury of Winchester, Inc.), Series 2005A (the "Series 2005A Bonds") originally issued by the Authority for the purpose of (i) financing certain capital improvements at the Facilities, including the acquisition, construction, renovation and expansion of (A) approximately 64 independent living apartments in an approximately 177,000 square foot residential building, (B) an approximately 15,000 square foot vitality center including fitness, pool and recreational areas, (C) existing dining, kitchen and fitness areas at the Facilities and (D) other capital improvements at the Facilities and (ii) refunding the outstanding principal amount of the Authority's Residential Care Facility First Mortgage Revenue Bonds (Westminster-Canterbury of Winchester, Inc.), Series 1998, which were originally issued for the purposes of refunding the Authority's Replacement Bonds (Westminster-Canterbury of

Winchester, Inc.), Series 1991, which were originally issued to refund the Authority's Residential Care Facility First Mortgage Revenue Bonds (Westminster-Canterbury of Winchester, Inc.), Series 1985, which were originally issued to (A) finance the acquisition, construction and equipping of the Facilities, (B) finance the construction and equipping of an approximately 47,000 square foot independent living apartment building at the Facilities, and (C) finance the costs of renovations to the health center;

(c) funding capitalized interest on the Bonds; and

(d) financing costs of issuance incurred in connection with the refunding of the Series 2005A Bonds and the issuance of the Bonds (collectively, the "Plan of Finance");

WHEREAS, such assistance will benefit the inhabitants of the City of Winchester, Virginia (the "City"), the County of Frederick, Virginia (the "County") and the Commonwealth of Virginia, either through the increase of their commerce or through the promotion of their safety, health, welfare, convenience or prosperity;

WHEREAS, preliminary plans for the Plan of Finance have been described to the Authority and a public hearing has been held as required by Section 147(f) of the Code and Section 15.2-4906 of the Act;

WHEREAS, the Company has represented that the estimated cost of undertaking the Plan of Finance will require an issue of revenue bonds in the aggregate principal amount not to exceed \$55,000,000;

WHEREAS, (a) no member of the Board of Directors of the Authority is an officer or employee of the City, (b) each member has, before entering upon his duties during his or her present term of office, taken and subscribed to the oath prescribed by Section 49-1 of the Code of Virginia of 1950, as amended and (c) at the time of their appointments and at all times thereafter, including the date hereof, all of the members of the Board of Directors of the Authority have satisfied the residency requirements of the Act; and

WHEREAS, to the best of the Authority's knowledge, no member of the Board of Directors of the Authority has any personal interest or business interest in the Company or the bonds or has otherwise engaged in conduct prohibited under the Conflict of Interests Act, Chapter 31, Title 2.2 of the Code of Virginia of 1950, as amended, in connection with this resolution or any other official action of the Authority in connection therewith.

NOW, THEREFORE, BE IT RESOLVED BY THE ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF WINCHESTER, VIRGINIA:

1. It is hereby found and determined that the Plan of Finance will be in the public interest and will promote the commerce, safety, health, welfare, convenience or prosperity of the Commonwealth of Virginia, the City, the County and their citizens and in particular will promote the providing of health care facilities and other facilities for the residence and care of the aged in accordance with their special needs.

2. The Authority hereby agrees to assist the Company in undertaking the Plan of Finance by issuing its revenue bonds in an aggregate principal amount not to exceed \$55,000,000 upon terms and conditions mutually agreeable to the Authority and the Company. The bonds will be issued pursuant to documents satisfactory to the Authority. The bonds may be issued in one or more series at one time or from time to time.

3. It having been represented to the Authority that it is necessary to proceed immediately with the Plan of Finance, and the planning therefor, the Authority agrees that the Company may proceed with the Plan of Finance, enter into contracts for land, construction, materials and equipment for the Project, and take such other steps as it may deem appropriate in connection with the Plan of Finance, provided, however, that nothing in this resolution shall be deemed to authorize the Company to obligate the Authority without its consent in each instance to the payment of any moneys or the performance of any acts in connection with the Plan of Finance. The Authority agrees that the Company may be reimbursed from the proceeds of the bonds for all expenditures and costs so incurred by it, provided such expenditures and costs are properly reimbursable under the Act and applicable federal laws.

4. At the request of the Company, the Authority approves McGuireWoods LLP, Richmond, Virginia, as Bond Counsel in connection with the issuance of the Bonds.

5. All costs and expenses in connection with the undertaking of the Plan of Finance, including the fees and expenses of Bond Counsel and Authority Counsel, shall be paid by the Company or, to the extent permitted by applicable law, from the proceeds of the bonds. If for any reason such bonds are not issued, it is understood that all such expenses shall be paid by the Company and that the Authority shall have no responsibility therefor.

6. The Authority recommends that the governing bodies of the City and the County approve the issuance of the bonds for the purpose of undertaking the Plan of Finance.

7. No bonds may be issued pursuant to this resolution until such time as the issuance of the bonds has been approved by the governing bodies of the City and the County.

8. This resolution shall take effect immediately upon its adoption.

**CERTIFICATE**

The undersigned Secretary of the Economic Development Authority of the City of Winchester, Virginia (the "Authority") certifies that the foregoing is a true, correct and complete copy of a resolution adopted by a majority of the Directors of the Authority present and voting at a meeting duly called and held on November 4, 2014, in accordance with law, and that such resolution has not been repealed, revoked, rescinded or amended but is in full force and effect on this date.

WITNESS the following signature and seal of the Authority, this 4<sup>th</sup> day of November, 2014.

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Secretary of the Economic Development Authority of the  
City of Winchester, Virginia

[SEAL]

## CERTIFICATE

The undersigned Secretary of the Economic Development Authority of the City of Winchester, Virginia (the "Authority") certifies as follows:

1. A meeting of the Authority was duly called and held on Tuesday, November 4, 2014, at 12:00 p.m. in the Common Council Chambers in Rouss City Hall, 15 North Cameron Street, Winchester, Virginia 22601, pursuant to proper notice given to each Director of the Authority before such meeting. The meeting was open to the public. The time of the meeting and the place at which the meeting was held provided a reasonable opportunity for persons of differing views to appear and be heard.

2. The Chairman announced the commencement of a public hearing on the application of Westminster-Canterbury of Winchester, Inc., a Virginia non-stock, not-for-profit corporation organized under the laws of the Commonwealth of Virginia, and that a notice of the hearing was published once a week for two successive weeks in a newspaper having general circulation in the City of Winchester, Virginia and the County of Frederick, Virginia (the "Notice"), with the second publication appearing not less than six days nor more than twenty-one days prior to the hearing date. A copy of the Notice is attached and has been filed with the minutes of the Authority and is attached as Exhibit A.

3. A summary of the statements made at the public hearing is attached as Exhibit B.

4. Attached as Exhibit C is a true, correct and complete copy of an approving resolution (the "Resolution") adopted at such meeting of the Authority by a majority of the Directors present at such meeting. The Resolution constitutes all formal action taken by the Authority at such meeting relating to matters referred to in the Resolution. The Resolution has not been repealed, revoked, rescinded or amended and is in full force and effect on this date.

WITNESS my hand and the seal of the Authority, this \_\_\_ day of November, 2014.

\_\_\_\_\_  
Secretary, Economic Development Authority of the  
City of Winchester, Virginia

[SEAL]

Exhibits:

- A - Copy of Certified Notice
- B - Summary of Statements
- C - Approving Resolution

## EXHIBIT A

**NOTICE OF PUBLIC HEARING TO BE HELD BY THE  
ECONOMIC DEVELOPMENT AUTHORITY OF  
THE CITY OF WINCHESTER, VIRGINIA  
ON THE ISSUANCE OF UP TO \$55,000,000 OF ITS REVENUE BONDS  
FOR THE BENEFIT OF WESTMINSTER-CANTERBURY OF WINCHESTER, INC.**

Notice is hereby given that the Economic Development Authority of the City of Winchester, Virginia (the "Authority") whose address is 15 North Cameron Street, Winchester, Virginia 22601, will hold a public hearing on the application and plan of financing of Westminster-Canterbury of Winchester, Inc. (the "Company"), whose principal place of business is 300 Westminster-Canterbury Drive, Winchester, Virginia 22603, requesting the Authority issue up to \$55,000,000 of its revenue bonds (the "Bonds"), in one or more series at one time or from time to time, the proceeds of which will be loaned to the Company to:

(a) finance certain capital improvements at the Company's facilities (the "Facilities") located at 300 Westminster Canterbury Drive, Winchester, Virginia 22603, and a portion of which is located in Frederick County, Virginia, including, but not limited to, (i) the construction and equipping of a new approximately 15,900 square foot two story health care center consisting of 22 skilled nursing beds, (ii) the construction and equipping of a new approximately 12,100 square foot two story building, which will include a fitness center, dining facilities, multipurpose rooms, office space and recreational space, (iii) the renovation of approximately 37,000 square feet of the existing health care center and the addition of approximately 2,300 square feet, (iv) the renovation of approximately 6,000 square feet of existing buildings located on the Facilities to provide additional administrative and office space, (v) the renovation of the existing loading dock servicing the Facilities, (vi) renovations to existing courtyards located at the Facilities and (vii) other routine capital improvements at the Facilities;

(b) refund the outstanding principal amount of the Residential Care Facility Revenue Bonds (Westminster-Canterbury of Winchester, Inc.), Series 2005A (the "Series 2005A Bonds") originally issued by the Authority for the purpose of (i) financing certain capital improvements at the Facilities, including the acquisition, construction, renovation and expansion of (A) approximately 64 independent living apartments in an approximately 177,000 square foot residential building, (B) an approximately 15,000 square foot vitality center including fitness, pool and recreational areas, (C) existing dining, kitchen and fitness areas at the Facilities and (D) other capital improvements at the Facilities and (ii) refunding the outstanding principal amount of the Authority's Residential Care Facility First Mortgage Revenue Bonds (Westminster-Canterbury of Winchester, Inc.), Series 1998, which were originally issued for the purposes of refunding the Authority's Replacement Bonds (Westminster-Canterbury of Winchester, Inc.), Series 1991, which were originally issued to refund the Authority's Residential Care Facility First Mortgage Revenue Bonds (Westminster-Canterbury of Winchester, Inc.), Series 1985, which were originally issued to (A) finance the acquisition, construction and equipping of the Facilities, (B) finance the construction and equipping

of an approximately 47,000 square foot independent living apartment building at the Facilities, and (C) finance the costs of renovations to the health center;

(c) fund capitalized interest on the Bonds; and

(d) finance costs of issuance incurred in connection with the refunding of the Series 2005A Bonds and the issuance of the Bonds (collectively, the "Plan of Finance").

The issuance of the Bonds as requested by the Company will not constitute a debt or pledge of the faith and credit of the Commonwealth of Virginia, the Authority or the City of Winchester, Virginia, but will be payable solely from revenues derived from the Company and pledged therefor and neither the faith and credit nor the taxing power of the Commonwealth of Virginia or any political subdivisions, including the Authority and the City of Winchester, Virginia, is pledged to the payment of the Bonds. The Authority has no taxing power.

The public hearing, which may be continued or adjourned, will be held at 12:00 p.m. on Tuesday, November 4, 2014, before the Authority, in the Common Council Chambers in Rouss City Hall, 15 North Cameron Street, Winchester, Virginia 22601. Any person interested in the issuance of the Bonds may appear at the hearing and present his or her views. A copy of the Company's application may be inspected at the Authority's office at the address stated above during business hours.

Economic Development Authority  
of the City of Winchester, Virginia

**EXHIBIT B**

**Summary of Statements**

[To Be Determined]

**FISCAL IMPACT STATEMENT  
FOR PROPOSED BOND FINANCING**

Date: November 4, 2014

To the Common Council of Winchester  
City of Winchester, Virginia

**Applicant:** Westminster-Canterbury of Winchester, Inc.

**Facility/  
Plan of  
Finance:** (a) finance certain capital improvements at the Company's facilities (the "Facilities") located at 300 Westminster Canterbury Drive, Winchester, Virginia 22603, and a portion of which is located in Frederick County, Virginia, including, but not limited to, (i) the construction and equipping of a new approximately 15,900 square foot two story health care center consisting of 22 skilled nursing beds, (ii) the construction and equipping of a new approximately 12,100 square foot two story building, which will include a fitness center, dining facilities, multipurpose rooms, office space and recreational space, (iii) the renovation of approximately 37,000 square feet of the existing health care center and the addition of approximately 2,300 square feet, (iv) the renovation of approximately 6,000 square feet of existing buildings located on the Facilities to provide additional administrative and office space, (v) the renovation of the existing loading dock servicing the Facilities, (vi) renovations to existing courtyards located at the Facilities and (vii) other routine capital improvements at the Facilities, (b) refund the outstanding principal amount of the Residential Care Facility Revenue Bonds (Westminster-Canterbury of Winchester, Inc.), Series 2005A (the "Series 2005A Bonds") issued by the Economic Development Authority of the City of Winchester, Virginia, (c) fund capitalized interest on the bonds to be issued (the "Bonds") and (d) finance costs of issuance incurred in connection with the refunding of the Series 2005A Bonds and the issuance of the Bonds.

1.	Maximum amount of financing sought	\$55,000,000
2.	Estimated taxable value of the facility's real property to be constructed in the locality.	\$
3.	Estimated real property tax per year using present tax rates.	\$
4.	Estimated personal property tax per year using present tax rates.	\$
5.	Estimated merchants' capital tax per year using present tax rates.	\$
6.	(a) Estimated dollar value per year of goods that will be purchased from Virginia companies within the locality	
	(b) Estimated dollar value per year of goods that will be purchased from non-Virginia companies within the locality	\$
	(c) Estimated dollar value per year of services that will be purchased from Virginia companies within the locality	\$
	(d) Estimated dollar value per year of services that will be purchased from non-Virginia companies within the locality	\$
7.	Estimated number of regular employees on year round basis.	
8.	Average annual salary per employee.	\$

\_\_\_\_\_  
Chairman, Economic Development Authority of the City  
of Winchester, Virginia