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SENATE BILL NO. 718

Offered January 19, 2024

A *BILL to amend the Code of Virginia by adding in Title 15.2 a chapter numbered 58.1, consisting of sections numbered 15.2-5824 through 15.2-5842, relating to Virginia Sports and Entertainment Authority and Financing Fund established; report.*

Patrons—Surovell and Stuart

Referred to Committee on Finance and Appropriations

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding in Title 15.2 a chapter numbered 58.1, containing consisting of sections numbered 15.2-5824 through 15.2-5842, as follows:

CHAPTER 58.1.

VIRGINIA SPORTS AND ENTERTAINMENT AUTHORITY.

§ 15.2-5824. Definitions.

As used in this chapter, unless the context requires a different meaning:

"Affiliate" means any person that is owned entirely or in part by a company or is an affiliate, assignee, employee, or agent of a company or is otherwise selected by a company to exercise any rights or undertake any obligations of the company that may be granted or established pursuant to this chapter.

"Authority" means the Virginia Sports and Entertainment Authority established in this chapter.

"Campus" means the land, buildings, facilities, and other development from which revenues will be generated for the Authority. For purposes of this definition, "facilities" includes without limitation (i) a sports arena capable of hosting professional sports games; (ii) a performance venue; (iii) a public plaza located between the arena and the performance venue; (iv) hotel developments; (v) retail, food, and beverage developments, including whether fixed or mobile; (vi) office building development that includes space for company headquarters and other entities; (vii) areas for practices and training of professional sports teams; (viii) areas for broadcasting production; (ix) onsite underground parking of at least 2,500 parking spaces; (x) residential buildings; (xi) parks and other public open spaces; and (xii) related on-site infrastructure necessary or desirable for all such elements for the campus.

"City" means the City of Alexandria.

"Company" means a sports and entertainment company that has entered into a lease with the Authority pursuant to § 15.2-5830.

"Corporate income tax revenues" means corporate income tax revenues as estimated by the Tax Commissioner under Article 10 (§ 58.1-400 et seq.) of Chapter 3 of Title 58.1 from the company or any professional sports team or any affiliates thereof based on income generated on the campus, also including revenues generated in connection with the development and construction of the campus. Upon the recommendation of the Authority, and the written approval of the Governor, "corporate income tax revenues" shall also include corporate income tax revenues generated by other business entities new to the Commonwealth that locate on the campus. The Tax Commissioner shall calculate such revenues by multiplying the estimated tax payment of any corporation as required under Article 20 (§ 58.1-500 et seq.) of Chapter 3 of Title 58.1 generating income as described herein by the ratio of their gross revenues from the activities as described herein to gross revenues from all activities in Virginia.

"Eligible expenses" means the reasonable expenses necessary for the Authority to carry out responsibilities set forth under this chapter.

"Excess funds" means any moneys available to the Authority in the Fund after the accounts set forth in subsection B of § 15.2-5833 have been sufficiently funded.

"Fund" means the Virginia Sports and Entertainment Authority Financing Fund established in this chapter.

"Pass-through entity tax revenues" means income tax revenues as estimated by the Tax Commissioner according to the provisions of Article 9 (§ 58.1-390.1 et seq.) of Chapter 3 of Title 58.1 from any pass-through entity, as defined in § 58.1-390.1, generated from the company or any professional sports team or any affiliates thereof based on income generated on the campus, including revenues generated in connection with the development and construction of the campus.

"Person" means the same as that term is defined in § 1-230, except that "person" does not include the Commonwealth or any of its political subdivisions or any agency or instrumentality thereof.

"Personal income tax revenues" means personal income tax revenues as estimated by the Tax Commissioner from individuals under Article 2 (§ 58.1-320 et seq.) of Chapter 3 of Title 58.1 based on

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59 salaries, wages, and other income generated through employment or the conduct of a trade or business
60 in on the campus. The Tax Commissioner shall calculate such revenues by multiplying wages and
61 salaries described by the average effective tax rate calculated by the Department of Taxation for the
62 prior taxable year.

63 "Professional sports team" means a sports team affiliated with the National Basketball Association,
64 the National Hockey League, or any other similar professional sports association, league, or group.

65 "Sales tax revenues" means tax collections under the Virginia Retail Sales and Use Tax Act
66 (§ 58.1-600 et seq.), as limited herein, and as may be amended, generated by construction and
67 transactions taking place on the campus. For purposes of this chapter, "sales tax revenues" does not
68 include (i) the 0.5 percent sales and use tax increase enacted by the 1986 Special Session of the
69 General Assembly that shall be paid into the Commonwealth Transportation Fund as defined in
70 § 33.2-1524; (ii) the one percent of the state sales and use tax revenue distributed among the counties
71 and cities of the Commonwealth pursuant to subsection D of § 58.1-638 on the basis of school-age
72 population; (iii) any sales and use tax revenues generated by increases or allocation changes imposed
73 by the 2013 Session of the General Assembly; (iv) any sales and use tax revenues distributed pursuant
74 to subsection F of § 58.1-638; (v) the additional state sales and use tax in certain counties and cities
75 assessed pursuant to subsection B of § 58.1-603.1 and subsection B of § 58.1-604.01; (vi) the additional
76 state sales and use tax in certain counties and cities of historic significance imposed under § 58.1-603.2;
77 (vii) the local sales and use tax imposed under §§ 58.1-605 and 58.1-606, unless remitted to the
78 Authority under the provisions of subsection B of § 15.2-5835; and (viii) the local sales and use tax
79 imposed under §§ 58.1-605.1 and 58.1-606.1 and used for the construction or renovation of schools.

80 "Sufficiently funded" means that the accounts established pursuant to subsection B of § 15.2-5833
81 have adequate funds to meet the needs of the Authority to maintain the campus and honor its
82 contractual commitments and obligations, including debt service obligations. Whether the accounts are
83 sufficiently funded shall be determined based on criteria adopted by the Authority, as well as the terms
84 set forth in bond and other financing documents entered into by the Authority.

85 **§ 15.2-5825. Virginia Sports and Entertainment Authority established.**

86 There is hereby established a body corporate and politic known as the Virginia Sports and
87 Entertainment Authority. The Authority is a political subdivision of the Commonwealth. It shall be the
88 principal duty of the Authority to ensure the construction and operational and financial viability of the
89 facilities, to service the bonds issued by the Authority, and to ensure compliance with all terms and
90 conditions of contracts, memoranda of understanding, and other agreements entered into regarding the
91 campus.

92 **§ 15.2-5826. Membership; chairman; terms.**

93 A. The Authority shall consist of nine members. Six members shall be appointed by the Governor,
94 and three members shall be appointed by the governing body of the City. The Governor shall designate
95 one of the members as chairman. The members of the Authority annually shall elect a vice-chairman
96 from their membership who shall perform the duties of the chairman in the chairman's absence. The
97 appointments of the members by the Governor pursuant to this section shall be confirmed in accordance
98 with § 2.2-107.

99 B. 1. Of the members appointed by the Governor, (i) one shall be an attorney with at least 15 years'
100 of advisory experience in creating and operating public-private real estate partnerships involving the
101 issuance of public debt; (ii) one shall be an active or recently retired chief executive officer of a public
102 or private company with revenues greater than \$500 million with a preference for experience in sectors
103 associated with the sports or entertainment industries; (iii) one shall be an owner or chief executive
104 officer of a commercial construction or commercial development company; (iv) one shall be a senior
105 executive with financial services experience in public or private finance at a national financial services
106 company; and (v) two shall be individuals with the education, experience, and skills necessary to
107 execute the duties and responsibilities of a member of the Authority.

108 2. Of the members appointed by the governing body of the City, (i) one shall be a developer and
109 operator of a large-scale mixed-use development with experience in retail, hotel, hospitality, and
110 entertainment sectors and (ii) two shall be individuals with the education, experience, and skills
111 necessary to execute the duties and responsibilities of a member of the Authority.

112 C. After the initial staggering of terms, members shall serve a term of four years. No member shall
113 be eligible to serve for more than two successive terms.

114 D. At the end of a term, a member shall continue to serve until a successor is appointed and
115 qualifies. A member who is appointed after a term has begun shall serve for the remainder of the term
116 and shall be eligible to be reappointed for a full term at the expiration of such term. Upon the end of
117 the term of a member, or upon the resignation or removal of a member, the original appointing
118 authority shall appoint a member to the Authority. The Governor may remove a member for cause in
119 accordance with § 2.2-108. The members of the Authority shall receive no compensation for their
120 services, but a member may be reimbursed by the Authority for reasonable expenses actually incurred in

the performance of the duties of that office.

§ 15.2-5827. Quorum; actions of Authority; meetings.

The Authority shall meet at least quarterly. Five members of the Authority, including at least one member appointed by the governing body of the City of Alexandria, shall constitute a quorum for the purpose of conducting business. Any action of the Authority shall require the affirmative vote of a majority of the quorum to be effective. No vacancy on the Authority shall impair the right of a quorum to exercise all rights and perform all the duties of the Authority. The Authority shall determine the times and places of its regular meetings. Special meetings of the Authority shall be held when requested by two or more members of the Authority. Any such request for a special meeting shall be in writing, and the request shall specify the time and place of the meeting and the matters to be considered at the meeting. A reasonable effort shall be made to provide each member with advance notice of any special meeting. No matter not specified in the notice shall be considered at such special meeting unless all the members of the Authority are present.

§ 15.2-5828. Executive Director appointment; duties.

A. The Authority shall appoint an Executive Director who shall report to, but not be a member of, the Authority. The Executive Director shall serve as the ex officio secretary of the Authority and shall administer, manage, and direct the Authority's affairs and activities in accordance with the policies adopted by and under the direction and control of the Authority.

B. In addition to any other duties set forth in this chapter, the Executive Director shall:

1. Attend all meetings and keep minutes of all proceedings;
2. Approve all accounts for salaries, per diem payments, and allowable expenses of the Authority and its independent contractors and approve all expenses incidental to the operation of the Authority;
3. Annually prepare and present a budget for approval by the Board. Throughout the year, the Executive Director shall monitor the Authority's fiscal performance relative to the budget and regularly deliver financial reports to the Authority regarding such performance;
4. Ensure proper execution of contracts, memoranda of understanding, and other such agreements and commitments of the Authority; and
5. Perform any other duty that the Authority requires for carrying out the provisions of this chapter.

§ 15.2-5829. Powers.

In addition to the powers set forth elsewhere in this chapter, the Authority may:

1. Adopt and alter an official seal;
2. Sue and be sued in its own name;
3. Adopt bylaws, rules, and regulations to carry out the provisions of this chapter;
4. Maintain an office on the campus. Until such office space is constructed, the Authority shall maintain an office at such place as the Authority may designate;
5. Employ, either as regular employees or independent contractors, consultants, accountants, attorneys, financial experts, agents, managers and other professional personnel, and any other personnel as may be necessary in the judgment of the Authority to carry out its responsibilities as outlined in this chapter, and fix their compensation;
6. Proceed with any undertaking and enter into any contracts or agreements with the Commonwealth or any political subdivision thereof or any person as the Authority deems necessary or desirable to carry out the provisions of this chapter related to development of the campus;
7. Review the Authority's responsibilities under contracts, memoranda of understanding, and other similar agreements, and delegate appropriate authority to the Executive Director to ensure that the provisions of such agreements are being efficiently, effectively, and prudently executed by the Executive Director and other staff;
8. Acquire, hold, lease, use, encumber, transfer, or dispose of real and personal property, including a lease of its property or any interest therein whatever the condition thereof, whether or not constructed or acquired, which is owned by the Authority, to a sports and entertainment company or its affiliate or other person as deemed necessary or desirable to carry out the provisions of this chapter, provided that any lease shall comply with § 15.2-5830;
9. Design, construct, reconstruct, improve, operate, and maintain the campus and any of its component buildings and facilities;
10. Fix, charge, and collect rates, fees, and charges for the use of, or the benefit derived from, the facilities provided, owned, operated, or financed by the Authority. Such rates, fees, and charges may be charged to and collected by such persons and in such manner as the Authority may determine from (i) any person using the facilities and (ii) the owners, tenants, or customers of the real estate and improvements that are served by, or benefit from the use of, any such facilities, in such manner as shall be authorized by the Authority in connection with the provision of such facilities;
11. Issue bonds under this chapter;
12. Borrow money;

182 13. Receive and accept from any source, private or public, contributions, gifts, or grants of money or
183 property; and

184 14. Do all things necessary or convenient to carry out the powers granted by this chapter.

185 **§ 15.2-5830. Acquisition of property; lease agreement.**

186 A. The Authority may acquire or otherwise use in its own name, by gift or purchase, any real or
187 personal property, or interests in property, necessary or convenient to construct or operate the campus.

188 B. In any jurisdiction where planning, zoning, and development regulations may apply, the Authority
189 shall comply with and is subject to those regulations to the same extent as a private commercial or
190 industrial enterprise.

191 C. The Authority shall negotiate and enter into a lease agreement for all or a portion of the
192 buildings and facilities located on the campus if the Authority finds that a company has committed to
193 locate or relocate to the campus and that such company and its affiliates have demonstrated to the
194 satisfaction of the Authority that the company and its affiliates have the experience and financial
195 resources to be able to successfully develop and operate the campus.

196 D. Any lease agreement for the campus entered into by the Authority with a company or its affiliates
197 shall:

198 1. Provide for the payment of rent to the Authority, which shall be deposited into the Fund;

199 2. Provide for the payment of revenues, if any, generated by the company related to on-site
200 underground parking on the campus to the Authority, which shall be deposited into the Fund;

201 3. Provide for the payment of revenues, if any, generated by the company for the sale of district
202 naming rights at the campus to the Authority, which shall be deposited into the Fund;

203 4. Provide for the payment of revenues, if any, generated from the campus from other sources,
204 including the sale of personal seat licenses, memberships, or other similar transactions, which shall be
205 deposited into the Fund.

206 5. Grant the company and its affiliates full operational control of the campus;

207 6. Establish standards for the maintenance of, and capital reinvestment in, the campus throughout
208 the term of the lease agreement that are necessary to support the Authority's financial obligations;

209 7. Have a term of no less than the term of the bonds sold pursuant to § 15.2-5831 for the
210 construction and development of the campus;

211 8. Provide that if the company or its affiliates relocates after the operational date but before the
212 expiration date of any lease entered into, the company will pay any outstanding principal, interest, and
213 any other financing costs of all bonds issued under this chapter; and

214 9. Contain such other terms and conditions as deemed necessary and appropriate by the Authority
215 and agreed to by the company that further the purpose of the Authority related to the financing of the
216 campus.

217 **§ 15.2-5831. Bond issues.**

218 A. The Authority may at any time, and from time to time, issue bonds to carry out any of the
219 purposes of this chapter. As used in this chapter, "bonds" includes notes of any kind, interim
220 certificates, refunding bonds, and any other evidence of obligation.

221 B. The bonds of any issue shall be payable solely from the property or receipts of the Authority, or
222 other security specifically pledged by the Authority to the payment thereof, including:

223 1. Taxes, fees, charges, lease payments, or other revenues payable to the Authority, including
224 amounts transferred from the Fund;

225 2. Payments by financial institutions, insurance companies, or others pursuant to letters or lines of
226 credit, policies of insurance, or purchase agreements;

227 3. Investment earnings from funds or accounts maintained pursuant to a bond resolution or trust
228 agreement; and

229 4. Proceeds of refunding bonds.

230 C. Bonds shall be authorized by resolution of the Authority and may be secured by a trust agreement
231 by and between the Authority and a corporate trustee or trustees, which may be any trust company or
232 bank having the powers of a trust company within or outside the Commonwealth. The bonds shall:

233 1. Be issued at, above, or below par value, for cash or other valuable consideration, and mature at
234 a time or times, whether as serial bonds or as term bonds or both, not exceeding 40 years from their
235 respective dates of issue;

236 2. Bear interest at the fixed or variable rate or rates determined by the method provided in the
237 resolution or trust agreement;

238 3. Be payable at a time or times, in the denominations and form, and carry the registration and
239 privileges as to conversion and for the replacement of mutilated, lost, or destroyed bonds as the
240 resolution or trust agreement may provide;

241 4. Be payable in lawful money of the United States at a designated place;

242 5. Be subject to the terms of purchase, payment, redemption, refunding, or refinancing that the
243 resolution or trust agreement provides;

6. Be executed by the manual or facsimile signatures of the officers of the Authority designated by the Authority. Such signatures shall be valid at delivery even for one who has ceased to hold office; and

7. Be sold in the manner and upon the terms determined by the Authority, including private negotiated sale.

D. Any resolution or trust agreement may contain provisions that shall be a part of the contract with the holders of the bonds as to:

1. Pledging, assigning, or directing the use, investment, or disposition of receipts of the Authority or proceeds or benefits of any contract and conveying or otherwise securing any property rights;

2. The setting aside of loan funding deposits, debt service reserves, capitalized interest accounts, cost of issuance accounts, and sinking funds, and the regulation, investment, and disposition thereof;

3. Limitations on the purpose to which the proceeds of sale of any issue of bonds may be applied and restrictions to investments of such proceeds or revenues available to pay debt service;

4. Limitations on the issuance of additional bonds and the terms upon which additional bonds may be issued and secured and may rank on a parity with, or be subordinate or superior to, other bonds;

5. The refunding or refinancing of outstanding bonds;

6. The procedure, if any, by which the terms of any contract with bondholders may be altered or amended and the amount of bonds the holders of which must consent thereto, and the manner in which consent shall be given;

7. Defining the acts or omissions that shall constitute a default in the duties of the Authority to bondholders and providing the rights or remedies of such holders in the event of a default that may include provisions restricting individual rights of action by bondholders;

8. Providing for guarantees, pledges of property, letters of credit, or other security, or insurance for the benefit of bondholders; and

9. Any other matter relating to the bonds which the Authority determines appropriate.

E. No member of the Authority nor any person executing the bonds on behalf of the Authority shall be liable personally for the bonds or subject to any personal liability by reason of the issuance of the bonds.

F. The Authority may enter into agreements with agents, banks, insurers, or others for the purpose of enhancing the marketability of, or as security for, its bonds.

G. A pledge by the Authority of revenues as security for an issue of bonds shall be valid and binding from the time the pledge is made. The revenues pledged shall immediately be subject to the lien of the pledge without any physical delivery or further act, and the lien of any pledge shall be valid and binding against any person having any claim of any kind in tort, contract, or otherwise against the Authority, irrespective of whether the person has notice. No resolution, trust agreement or financing statement, continuation statement, or other instrument adopted or entered into by the Authority need be filed or recorded in any public record other than the records of the Authority in order to perfect the lien against third persons, regardless of any contrary provision of public general or public local law.

H. Except to the extent restricted by an applicable resolution or trust agreement, any holder of bonds issued under this chapter or a trustee acting under a trust agreement entered into under this chapter, may, by any suitable form of legal proceedings, protect and enforce any rights granted under the laws of Virginia or by any applicable resolution or trust agreement.

I. The Authority may issue bonds to refund any of its bonds then outstanding, including the payment of any redemption premium and any interest accrued or to accrue to the earliest or any subsequent date of redemption, purchase, or maturity of the bonds. Refunding bonds may be issued for the public purposes of realizing savings in the effective costs of debt service, directly or through a debt restructuring, for alleviating impending or actual default and may be issued in one or more series in an amount in excess of that of the bonds to be refunded.

J. The company shall agree, as part of any development and lease agreement entered into pursuant to § 15.2-5830, that the company and its affiliates will not be relocated and that the company will operate on the campus until any bonds issued hereunder to finance and refinance the campus are redeemed or defeased.

§ 15.2-5832. Investments in bonds.

Any financial institution, any investment company, any insurance company or association, and any personal representative, guardian, trustee, or other fiduciary may legally invest any moneys belonging to them or within its control in any bonds issued by the Authority.

§ 15.2-5833. Virginia Sports and Entertainment Authority Financing Fund; use.

A. There is hereby created in the state treasury a special nonreverting fund for the Authority to be known as the Virginia Sports and Entertainment Authority Financing Fund. The Fund shall be established on the books of the Comptroller. All revenues to which the Authority is entitled pursuant to § 15.2-5835, all revenues and moneys approved by the local governing body of the City to be directed to the Fund, all revenues and moneys generated by a lease agreement entered into pursuant to

305 § 15.2-5830, any other moneys that may be appropriated by the General Assembly, and any moneys that
306 may be received for the credit of the Fund from any other source shall be paid into the state treasury
307 and credited to the Fund by the Comptroller as soon as practicable following their receipt. Interest
308 earned on moneys in the Fund shall remain in the Fund and be credited to it. Any moneys remaining in
309 the Fund, including interest thereon, at the end of each fiscal year shall not revert to the general fund
310 but shall remain in the Fund.

311 B. The amounts dedicated to the Fund pursuant to subsection A shall be distributed to the Authority
312 as soon as practicable for use in accordance with this chapter. The Authority shall establish a cash flow
313 waterfall and shall establish and deposit revenues into each of the following accounts in the following
314 priority order:

- 315 1. Revenue Account;
- 316 2. Senior Debt Service Account;
- 317 3. Senior Debt Service Reserve Account;
- 318 4. Subordinate Debt Service Account;
- 319 5. Subordinate Debt Service Reserve Account; and
- 320 6. Capital Expenditures and Maintenance Account.

321 The Authority shall also establish a Distribution Account. If, in the opinion of the Authority, all other
322 accounts listed in subdivisions 1 through 6 are sufficiently funded, the Authority shall distribute any
323 excess funds back to the Commonwealth and the City, based upon a formula established and agreed
324 upon by the Commonwealth and the City prior to the issuance of any bonds, so long as such
325 distribution is authorized by any bond or other financing documents entered into by the Authority.

326 C. To the extent deemed appropriate by the Authority, the receipts of the Fund shall be pledged to
327 and transferred for the payment of debt service on Authority bonds and all reasonable charges and
328 expenses related to Authority borrowing and the management of Authority obligations. The Authority
329 may also use proceeds from the Fund for any expense associated with the development of the campus,
330 whether onsite or offsite, or the administration of the Authority.

331 **§ 15.2-5834. Additional duties; report.**

332 In addition to the duties set forth elsewhere in this chapter, the Authority shall:

- 333 1. Keep records as are consistent with sound business practices and accounting records using
334 generally accepted accounting practices;
- 335 2. Adopt criteria to be used, taking into account the obligations established in bond and other
336 financing documents entered into by the Authority, in determining when the accounts established
337 pursuant to subsection B of § 15.2-5833 are sufficiently funded;
- 338 3. Secure an annual external audit of the books of the Authority and its transactions by a nationally
339 recognized auditing firm with sufficient skills and experience to conduct a thorough audit of the
340 Authority. The results of such audit shall be submitted to the Governor and the Chairmen of the House
341 Committee on Appropriations and the Senate Committee on Finance and Appropriations;
- 342 4. Be subject to audit and examination at any reasonable time of its accounts and transactions by
343 the Auditor of Public Accounts; and
- 344 5. Submit a detailed annual report of its activities and financial standing to the Governor and the
345 General Assembly.

346 **§ 15.2-5835. Entitlement to certain tax revenues.**

347 A. The Authority shall be entitled, subject to appropriation and to the limitations of this chapter, to
348 all sales tax revenues. Revenues received under this subsection shall be applied to any purposes that the
349 Authority deems appropriate for the campus, including the payment of debt service on the Authority's
350 bonds. The State Comptroller shall remit such sales tax revenues to the Fund on a quarterly basis,
351 subject to such reasonable processing delays as may be required by the Department of Taxation. The
352 State Comptroller shall make such remittances to the Fund, as provided herein, notwithstanding any
353 provisions to the contrary in the Virginia Retail Sales and Use Tax Act (§ 58.1-600 et seq.). Such
354 entitlement shall continue as necessary to cover eligible expenses of the Authority.

355 B. The local governing body of the City may direct, by ordinance or resolution, that all local sales
356 and use tax revenues generated by transactions taking place upon the premises of the campus or on the
357 campus from taxes levied pursuant to §§ 58.1-605 and 58.1-606 shall be remitted by the City to the
358 Authority for any purposes of the Authority. Such remittances shall be for the same period and under
359 the same conditions as remittances to the Authority paid in accordance with subsection A, mutatis
360 mutandis.

361 C. The Authority shall be entitled, subject to appropriation and to the limitations of this chapter, to
362 all personal income tax revenues, corporate income tax revenues, and pass-through entity tax revenues.
363 Such revenues shall be applied for any purposes that the Authority deems appropriate for the campus,
364 including the payment of debt service on the Authority's bonds. The State Comptroller shall remit all
365 such state tax revenue to the Fund on a quarterly basis, subject to such reasonable processing delays as
366 may be required by the Department of Taxation. Such entitlement shall continue as necessary to cover

eligible expenses of the Authority.

D. In connection with the issuance of bonds by the Authority to finance or refinance the campus, the local governing body of the City may direct, by ordinance or resolution, any other taxes or funds available to it for the repayment of bonds, campus operating expenses or capital expenditures, and other purposes of the Authority, including any other revenues approved by the local governing body of the City and any other taxes imposed by the City.

§ 15.2-5836. Cooperation between the Authority and other political subdivisions.

The Authority may enter into agreements with any other political subdivision of the Commonwealth for joint or cooperative action in accordance with § 15.2-1300.

§ 15.2-5837. Tort liability.

No pecuniary liability of any kind shall be imposed on the Commonwealth or on any other political subdivision of the Commonwealth because of any act, agreement, contract, tort, malfeasance, or nonfeasance by or on the part of the Authority, its independent contractors, or its agents.

§ 15.2-5838. Tort claims.

For purposes of the Virginia Tort Claims Act (§ 8.01-195.1 et seq.), the Authority is an "agency" within the meaning of § 8.01-195.2 and each of its members and agents is an "employee" within the meaning of such section.

§ 15.2-5839. Policy statement.

It is hereby found, determined, and declared that the construction and development of the campus will result in substantial economic development in the Commonwealth and is in all respects for the benefit of the people of the Commonwealth and is a public purpose and that the Authority will be performing an essential government function in the exercise of the powers conferred by this chapter.

§ 15.2-5840. Audits and reports.

A. The Auditor of Public Accounts of the Commonwealth and his legally authorized representatives are hereby authorized and empowered from time to time to examine the accounts and books of the Authority, including its receipts, disbursements, contracts, leases, investments, and any other matters relating to its finances, operation, and affairs.

B. The Tax Commissioner shall report to the Chairmen of the Senate Committee on Finance and Appropriations, the House Committee on Appropriations, and the House Committee on Finance, before July 1 of each year, the amount of the entitlement pursuant to § 15.2-5835.

§ 15.2-5841. Prohibited use of funds.

No funds of the Authority derived from state tax revenues may be used to pay fees or expenses of lobbyists required to register under § 2.2-422.

§ 15.2-5842. Exemption of Authority from personnel and procurement statutes.

The provisions of the Virginia Personnel Act (§ 2.2-2900 et seq.) and the Virginia Public Procurement Act (§ 2.2-4300 et seq.) shall not apply to the Authority in the exercise of any power conferred under this chapter.

2. That the initial appointment of members of the Virginia Sports and Entertainment Authority established by this act shall be staggered as follows: (i) one of the members appointed by the Governor and one of the members appointed by the governing body of the City of Alexandria shall be appointed for a term of four years; (ii) two of the members appointed by the Governor and one of the members appointed by the governing body of the City of Alexandria shall be appointed for a term of three years; (iii) two of the members appointed by the Governor and one of the members appointed by the governing body of the City of Alexandria shall be appointed for a term of two years; and (iv) one of the members appointed by the Governor shall be appointed for a term of one year. Members appointed to an initial term of less than four years shall be eligible to be reappointed for two full four-year terms.