

ORDINANCE NO. 3943

AN ORDINANCE authorizing and empowering the issuance, sale and delivery by the City of Alexandria, Virginia (the "City"), pursuant to Chapter 5.1, Title 15.1 of the Code of Virginia (the "Public Finance Act of 1991"), of bonds in aggregate principal amount not to exceed Forty-Five Million Dollars (\$45,000,000); the proceeds of such bonds to be disbursed for the public purpose of providing funds to finance various capital improvement projects, described in the City's capital improvement budget, including construction, renovation and equipping of public buildings and school buildings; acquisition, installation, replacement and upgrade of traffic signal equipment; contribution to the Washington Metropolitan Area Transit Authority for bus and rail capital improvement costs; construction of other public improvements; acquisition of necessary or desirable equipment and interests in land; showing compliance with the limitations on the power of the City to incur indebtedness; electing to issue such bonds pursuant to the Public Finance Act of 1991; determining the method for the sale of such bonds; providing for the form of such bonds; authorizing the City Manager of the City to determine certain details with respect to the sale thereof; providing for the levy and collection of all taxes, charges and assessments necessary for the payment of the principal of and interest on such bonds when due; pledging of the full faith and credit of the City to the payment of the bonds issued hereunder and the interest thereon, when due; covenanting that the proceeds will not be used in a manner to cause such bonds to be arbitrage bonds; providing generally for various matters relating to the authorization, issuance, sale and delivery of such bonds.

THE CITY COUNCIL OF ALEXANDRIA HEREBY ORDAINS:

Section 1. Chapter 5.1 of Title 15.1 of the Code of Virginia (the "Public Finance Act of 1991") provides that a governing body may elect to issue bonds; under the Public Finance Act of 1991 or under its local charter. The City Council of Alexandria hereby elects to issue its Bonds (defined herein) under the Public Finance Act of 1991. The Bonds issued hereunder are hereby specifically issued under the provisions of the Public Finance Act of 1991 without regard to the requirements, restrictions or provisions contained in any charter or local or special act, except any referendum and debt limitations, applicable to the City of Alexandria.

The City Council hereby further finds and determines that it is necessary for the City to issue the Bonds in order to use a portion of the bond proceeds to finance all or a portion of the cost of the capital improvement projects, generally described in this section.

The following is a general description of the capital improvement projects to be financed with a portion of the proceeds of the Bonds and the estimated maximum costs thereof. Bond proceeds will fund only a portion of the total maximum costs.

<u>General Project Description</u>	<u>Estimated Maximum Cost</u>
<u>Schools</u> Construction of a new school facility and acquisition of necessary land and equipment; remodeling and repairing of existing school buildings and	acquisition of necessary equipment (this project includes the projects contained in the capital budget under "Schools").

\$11,800,000

Libraries

\$ 7,800,000

Construction of a new library and acquisition of necessary equipment, renovation of existing libraries and acquisition of necessary equipment (this project includes the projects contained in the capital budget under "Libraries").

City Parks and Buildings

\$ 7,000,000

Renovation and improvement of existing City buildings and park facilities and acquisition of necessary equipment (this project includes the projects contained in the capital budget under "Recreation and Parks" and "Public Buildings").

Transportation

\$ 6,500,000

Installation, replacement and upgrade of traffic signal equipment, mass transit buses and equipment, and payment of the City's contribution to the Washington Metropolitan Area Transit Authority's bus and rail capital improvement and replacement costs for portions of the transit system (this project includes the projects contained in the capital budget under "Traffic Improvements and Rapid Transit").

Infrastructure

\$ 3,100,000

Construction and renovation of the City's streets, bridges, storm and sanitary sewers and acquisition of the necessary equipment (this project includes projects contained in the capital budget under "Streets and Bridges" and "Sewers").

Technology

\$ 8,800,000

Replacement of information technology infrastructure and development of information technology infrastructure improvements and acquisition of necessary equipment (this project includes projects contained in the capital budget under "Information Technology Plan").

Total

\$45,000,000

Section 2. Acting pursuant to the authority of the Public Finance Act of 1991 and this Ordinance, the Bonds may be issued in an aggregate principal amount not to exceed \$45,000,000 to pay a portion of the capital improvement projects described in Section 1 (the "Projects"). The issuance and sale of the "Consolidated Public Improvement General Obligation Bonds" of the City of Alexandria, Virginia, is hereby authorized in an aggregate principal amount not to exceed Forty-Five Million Dollars (\$45,000,000) (the "Bonds"). The Bonds are issued for the purpose of financing the cost of a portion of the Projects.

The proceeds of the Bonds may be used (a) to pay all or any part of the cost of acquiring, constructing, reconstructing, improving, extending, enlarging and equipping any of the Projects, and (b) to pay any and all other costs permitted to be paid from the proceeds of such bonds under the Public Finance Act of 1991, including (without limitation) the costs of issuance of the Bonds.

Section 3. The Bonds hereby authorized shall be sold at public sale and for a price at, above, or below par, plus accrued interest to the date of delivery, as shall be determined in a resolution of the City Council.

Section 4. The Bonds shall be issuable as registered bonds without coupons in the denomination of five thousand dollars (\$5,000) or any multiple thereof within the limits of specified maturities. The Bonds shall be dated and shall mature at such times as determined in a resolution of the City Council. The Bonds shall be subject to redemption or repurchase, shall be in the denomination or denominations, shall be numbered, shall be sold at such price or determined in a resolution of the City Council or by the City Manager if authorized by the City Council before their issuance. The Bonds may bear interest payable at such time or times and at such rate or rates as determined by a resolution of the City Council, or the City Manager if authorized by the City Council. Interest on the Bonds shall be payable by checks mailed by the Paying Agent therein named to the registered holder or holders of such bonds, or by other means as determined in a resolution of the City Council or by the City Manager if authorized by the City Council. The principal of the Bonds shall be payable at the principal office of the Paying Agent or some other place as agreed by the City Manager and the holder or holders of such bonds named in the Bonds.

Section 5. For the purpose of paying the principal of and premium, if any, and interest on the Bonds, the City shall levy and collect annually, at the same time and in the same manner as other taxes of the City are assessed, levied and collected, a tax upon all taxable property within the City, over and above all other taxes, authorized or limited by law and without limitation as to rate or amount, sufficient to pay when due the principal of and premiums, if any, and interest on the Bonds and any other general obligation bonds of the City issued under the provisions of the Public Finance Act of 1991, to the extent other funds of the City are not lawfully available and appropriated for such purpose. The full faith and credit and unlimited taxing power of the City are hereby irrevocably pledged to the levy and collection of the taxes hereinabove prescribed as and when such taxes may become necessary in order to provide sufficient funds to meet the debt service requirements of the Bonds. The City hereby solemnly covenants with each of the holders of any of the Bonds to levy and collect the taxes hereinabove prescribed and to take all action as may be appropriate from time to time during the period that any of such

bonds remain outstanding and unpaid to provide the funds necessary to make the principal and interest payments on such bonds.

Section 6. The aggregate principal amount of the Bonds authorized to be issued by this Ordinance will be within every debt limitation prescribed by the Constitution and Laws of the Commonwealth of Virginia.

Section 7. The City Council in a resolution, or the City Manager if authorized by the City Council, shall take the following actions and make the following commitments on behalf of the City:

(a) sell any series of the Bonds issued hereunder upon such terms as deemed to be favorable under the existing market conditions to a bank, investment banking firm or other financial institution as, in the judgment of the City Manager, offers to purchase such series of bonds on such terms;

(b) fix and determine, subject to the provisions of Section 5 hereof, the date of any such series of Bonds, the schedule of annual maturities or mandatory sinking fund redemptions of any such series, the amount of such series, the interest payment dates of any such series, the amounts and particular bonds of each Refunded Bonds to be refunded with the proceeds of any such series, the interest rate or rates to be paid by the City with respect to any such series, the date or dates when such refunding shall be effected, whether such series is to be issued in book-entry form and all matters incident to the issuance of such series in book-entry form;

(c) determine whether the principal of the Bonds shall be paid at maturity, at the earliest redemption date pertaining thereto, or at some later redemption date;

(d) appoint a bank having trust powers, or a trust company, as Paying Agent for any such series of bonds, notwithstanding the fact that such bank or trust company may have neither its principal office nor any branch office within the City or the Commonwealth of Virginia, if it is deemed to be appropriate, and appoint a similarly qualified bank or trust company as Alternative Paying Agent, such authority to include the power to agree with respect to the compensation of such Paying Agent and Alternate Paying Agency for the services to be rendered by them, and appoint one or more of such banks or trust companies as Bond Registrars and, if it is deemed to be appropriate, provide for the City to act as Paying Agent and Registrar;

(e) arrange for the preparation and distribution of an appropriate Official Statement with respect to the sale of any series of the Bonds hereby authorized;

(f) reserve to the City the option to redeem any such series of Bonds, in whole or in part, at such times and upon payment of such premiums, as may be determined to be in the best interest of the City; and

(g) take all actions in the manner and to the extent that the City Council or the City Manager, if authorized by the City Council, may deem necessary or appropriate to accomplish the purposes of this Ordinance.

Section 8. In the event that Bonds are issued hereunder with the expectation that interest on such bonds will be exempt from federal income taxation, the City hereby solemnly covenants with each of the holders of any such Bonds that it will not use, or suffer or permit to be used, the proceeds received from sale of

the Bonds, or any moneys on deposit to the credit of any account of the City which may be deemed to be proceeds of the Bonds pursuant to Section 148 of the Internal Revenue Code of 1986, as amended (the "internal Revenue Code"), and applicable regulations thereunder, which use would cause such bonds to be "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code and the regulations thereunder. The City further solemnly covenants that it will comply with Section 148 of the Internal Revenue Code and the regulations thereunder which are applicable to the Bonds on the date of issuance of the Bonds and which may subsequently lawfully be made applicable to the Bonds. The City Manager and the Director of Finance of the City (the "Director of Finance") are hereby authorized and directed to prepare or cause to be prepared and to execute, respectively, any certification, opinion or other document which may be required to assure that the Bonds will not be deemed to be "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code and the regulations thereunder.

In the event that Bonds are issued hereunder with the expectation that interest on such Bonds will be exempt from federal income taxation, the City Manager may make such covenants or agreements in connection with the issuance of such Bonds as she shall deem advisable in order to assure the holders of such Bonds that interest thereon shall be and remain exempt from federal income taxation, and such covenants or agreements shall be binding on the City so long as the observance by the City of any such covenants or agreements is necessary in connection with the maintenance of the exemption from federal income taxation of the interest on such Bonds. The foregoing covenants and agreements may include such covenants or agreements on behalf of the City regarding compliance with the Internal Revenue Code as the City Manager shall deem advisable in order to assure the holders of such Bonds that the interest thereon shall be and remain exempt from federal income taxation, including (without limitation) covenants or agreements relating to the investment of Bond proceeds, the rebate of certain earnings resulting from such investment to the United States (or the payment of penalties in lieu thereof), limitations on the times within which, and the purposes for which, Bond proceeds may be expended, or the utilization of specified procedures for accounting for and segregating Bond proceeds. Any covenant or agreement made by the City Manager pursuant to this paragraph shall be set forth in or authorized in writing executed by the City Manager.

Section 9. The Bonds to be issued pursuant to the authority of this Ordinance shall be executed on behalf of the City by the facsimile signature of the Mayor of the City (the "Mayor"), and a facsimile of the seal of the City shall be imprinted thereon, attested by the facsimile signature of the City Clerk. Such Bonds shall be authenticated by the signature of an agent of the City. No bonds issued hereunder shall be valid for any purpose or constitute an obligation of the City unless so authenticated.

The Bonds shall be in the form set forth in Attachment A attached to and made a part of this Ordinance, and bonds issued substantially in compliance with such form, with appropriate insertions as therein indicated, when properly executed and authenticated as described above, shall be deemed to constitute unconditional general obligations of the City, to the payment of which, in accordance with the terms thereof, its full faith and credit are pledged, and all the covenants and conditions contained in such Bonds shall be deemed to be binding upon the City in accordance therewith.

In case any official of the city, whose signature shall appear on any such Bonds, shall cease to be such official prior to the delivery of such Bonds, or in the case that any such official shall take office subsequent to the date of issue of any such Bonds, his signature, in either event, shall nevertheless be valid for the purposes herein intended.

There may be printed on each series of Bonds issued hereunder, the text of the applicable approving legal opinion with respect thereto, such text being duly certified by the facsimile signature of the Mayor.

Authority is hereby conferred on the Mayor and City Manager to fill in the blanks in such form with the required information, to insert applicable paragraphs as indicated and to make such additions, deletions, modifications, and substitutions in such form not inconsistent herewith, as may be necessary or desirable in the sale of the Bonds, including (without limitation) variations deemed appropriate by the Mayor and City Manager in the event such series is issued in book-entry form or with mandatory sinking fund payments.

Section 10. In order to reimburse certain expenditures made prior to the issuance of the Bonds and to comply with applicable provisions of the Internal Revenue Code and Section 1.103-18 of the Income Tax Regulations with the proceeds of a tax-exempt borrowing, it is necessary that the City or an official designated by the City declare the official intent of the City to make such a reimbursement of expenditures.

The City hereby authorizes the Director of Finance (the "Authorized Officer"), on behalf of the City, to declare the City's official intent to reimburse, with proceeds of the City's Bonds or other indebtedness, expenditures to be incurred in connection with the Projects. In exercising the foregoing authority, the Authorized Officer is hereby authorized generally to take such actions as may be appropriate to assure compliance by the City with applicable provisions of the Internal Revenue Code and Section 1.103-18 of the Income Tax Regulations regarding such declaration of intent.

The authority of the Authorized Officer to declare official intent as described above may be delegated in writing by the Authorized Officer to one or more designees.

The Authorized Officer or his designee shall establish procedures for recording and making available such declarations of intent for inspection by members of the general public at the main administrative offices of the City at 301 King Street, Alexandria, Virginia 22314, until the issuance of all Bonds or other indebtedness to which this Ordinance applies.

Section 11. The Director of Finance shall mail or cause to be mailed to the Virginia State Treasurer promptly after the issuance of the Bonds (i) a copy of any report concerning the issuance of the Bonds required to be filed with the United States Internal Revenue Service or (ii) such other reports as shall be prescribed by the State Treasurer.

Section 12. If any one or more of the provisions of this Ordinance, including any covenants or agreements provided herein on the part of the City to be performed, should be contrary to law, then such provision or provisions shall be null and void, and shall in no way affect the validity of the other provisions of this Ordinance or the Bonds.

Section 13. The City Council may by resolution authorize any actions that may be taken pursuant to the Public Finance Act of 1991 that it may deem appropriate or necessary to carry out the purposes of this Ordinance.

Section 14. That this Ordinance shall become effective upon the date and at the time of its final passage and shall not be subject to referendum.

KERRY J. DONLEY
Mayor

ATTEST:

Beverly I. Jett, CMC, City Clerk

Final Passage: June 24, 1997

