

**ORDINANCE NO. 4973**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ALEXANDRIA, VIRGINIA AUTHORIZING THE ISSUANCE AND SALE OF A TAX REVENUE BOND IN THE MAXIMUM AMOUNT OF \$58,000,000 TO THE VIRGINIA TRANSPORTATION INFRASTRUCTURE BANK TO FINANCE, IN PART, CONSTRUCTION OF THE POTOMAC YARD METRORAIL STATION AND THE COMPLETION, EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS RELATED THERETO**

**THE CITY COUNCIL OF ALEXANDRIA HEREBY ORDAINS:**

**WHEREAS**, the City Council (the “City Council”) of the City of Alexandria, Virginia (the “City”) has established the Potomac Yard Metrorail Station Special Services Districts to fund certain of the costs of research, planning, approvals and construction of the Potomac Yard Metrorail Station located in the Potomac Yard area of the City (the “Project”);

**WHEREAS**, certain of the real property located in the Tier I Potomac Yard Metrorail Station Special Services District is subject to certain taxes to be used for purposes related to the Project (the “Tier I Special Assessments”);

**WHEREAS**, the Virginia Transportation Infrastructure Bank (the “VTIB”) has proposed to assist the City in financing a portion of the costs of the Project and certain related capitalized interest and financing costs by loaning to the City a principal amount up to \$50,000,000 plus capitalized interest, which amount will be evidenced by a bond of the City in the same total amount, (the “Bond”) to be secured by the Tier I Special Assessments and a subject-to-annual-appropriation support agreement by the City on the terms and conditions set forth in the Financing Documents (hereinafter defined);

**WHEREAS**, the City Council held a public hearing on the issuance of the Bond on November 14, 2015; and

**WHEREAS**, the City Council has determined that it is advisable to contract a debt and to issue the Bond to VTIB to evidence the above-referenced loan and to finance a portion of the costs of the Project and certain related capitalized interest and financing costs.

1. Authorization of Bond and Use of Proceeds. The City Council hereby determines that it is advisable and in the best interest of the residents of the City to contract a debt and to issue and sell the Bond in the aggregate maximum principal amount of \$58,000,000. The issuance of the Bond to VTIB as evidence of VTIB’s loan to the City in the amount of the Bond is hereby authorized. The proceeds from the issuance and sale of the Bond shall be used to pay a portion of the costs of the Project and related capitalized interest and financing costs.

2. Pledge of Security. The Bond shall be a limited obligation of the City, payable solely from the revenues pledged pursuant to the Financing Agreement (hereinafter defined), including the Tier I Special Assessments and, to the extent and duration set forth in the Financing

Agreement, payments by the City, subject to annual appropriation. Neither the faith and credit nor the taxing power of the City is pledged for the payment of the principal of or interest on the Bond. Nothing in the Bond, the Financing Agreement or this Ordinance shall be deemed to constitute a pledge of the faith and credit of the Commonwealth of Virginia or any of its political subdivisions, including the City. The Bond shall not directly, indirectly or contingently obligate the Commonwealth of Virginia or any of its political subdivisions, including the City to pledge its faith and credit or levy any taxes for the payment of principal of and interest on the Bond or other costs incident to it except from the revenues and other funds pledged for such purpose under the provisions of (or to make any appropriation for its payment except as specifically provided in) the Bond, the Financing Agreement and this Ordinance. As provided in the Financing Agreement, the City Council hereby undertakes a non-binding obligation to appropriate to VTIB such amounts as may be required from time to time under the Financing Documents, to the fullest degree and in such manner as is consistent with the Constitution and the laws of the Commonwealth of Virginia. The City Council, while recognizing that it is not empowered to make any binding commitment to make such appropriations in future fiscal years, hereby states its intent to make such appropriations in future fiscal years, and hereby recommends future City Councils do likewise during the term of the Financing Documents (hereinafter defined)

3. Details and Sale of Bond. The Bond shall be issued upon the terms established pursuant to this Ordinance and upon such other terms as may be determined in the manner set forth in this Ordinance. The Bond shall be issued as a single taxable or tax-exempt bond, in fully registered form, and shall be dated such date as the City Manager and Director of Finance of the City, either of whom may act alone (the “Authorized Officer”) may approve. The Authorized Officer, in collaboration with Davenport & Company LLC, the City’s financial advisor, are authorized and directed to determine the final principal amount, the interest rate, maturity schedule, redemption provisions and principal and interest payment dates of the Bond; provided that the aggregate principal amount of the Bond shall not exceed \$58,000,000, the interest rate on the Bond shall not exceed 2.17 percent per annum, the Bond shall mature no later than 31 years after the date of its issuance and the Authorized Officer shall obtain prior authorization from the City Council for any request for disbursement of Bond proceeds from VTIB. The Bond shall evidence a loan from VTIB.

4. Bond Documents. There have been presented to this meeting drafts of the following documents proposed in connection with the issuance of the Bond (collectively, the “Financing Documents”):

(a) the Bond; and

(b) a Financing Agreement between Virginia Resources Authority, as manager of VTIB, and the City (the “Financing Agreement”)

The Authorized Officer is authorized to execute and deliver the Financing Agreement and, if required, the Clerk of the City (the “Clerk”) is authorized and directed to execute the Financing

Agreement and to affix the seal of the City thereto. The Financing Agreement shall be in substantially the same form as presented to this meeting, with such completions, omissions, insertions and changes not inconsistent with this Ordinance as the Authorized Officer may approve, the execution thereof by the Authorized Officer to constitute conclusive evidence of his or her approval of any such completions, omissions, insertions and changes. Notwithstanding the foregoing, the Authorized Officer shall obtain prior authorization from the City Council for any request for disbursement of Bond proceeds from VTIB pursuant to the Financing Agreement.

5. Form of Bond. The Bond shall be in substantially the same form as presented to this meeting, with such appropriate variations, omissions and insertions as are permitted or required by this Ordinance. There may be endorsed on the Bond such legend or text as may be necessary or appropriate to conform to any applicable rules and regulations of any governmental authority or any usage or requirement of law with respect thereto.

6. Appointment of Bond Registrar and Paying Agent. The Authorized Officer is authorized and directed to appoint a bond registrar and paying agent for the Bond (the "Bond Registrar"), and any of such officers may serve as such.

The Authorized Officer may appoint a subsequent Bond Registrar for the Bond upon giving written notice to the owner of the Bond specifying the name and location of the principal office of any such Bond Registrar.

7. Execution of Bond. The Mayor and the Clerk are authorized and directed to execute the Bond and to affix the seal of the City thereto and to deliver the Bond to VTIB. The manner of execution and affixation of the seal may be by facsimile, provided, however, that if the signatures of the Mayor and the Clerk are both by facsimile, the Bond shall not be valid until signed at the foot thereof by the manual signature of the Bond Registrar.

8. CUSIP Numbers. The Bond may have CUSIP identification numbers printed thereon. No such number shall constitute a part of the contract evidenced by the Bond on which it is imprinted and no liability shall attach to the City, or any of its officers or agents by reason of such numbers or any use made of such numbers, including any use by the City and any officer or agent of the City, by reason of any inaccuracy, error or omission with respect to such numbers.

9. Registration, Transfer and Exchange. Upon surrender for transfer or exchange of any Bond at the principal office of the Bond Registrar, the City shall execute and deliver and the Bond Registrar shall authenticate in the name of the transferee or transferees a new Bond in an aggregate principal amount equal to the Bond surrendered and of the same form and maturity and bearing interest at the same rate as the Bond surrendered, subject in each case to such reasonable regulations as the City and the Bond Registrar may prescribe. Any Bond presented for transfer or exchange shall be accompanied by a written instrument or instruments of transfer or authorization for exchange, in form and substance reasonably satisfactory to the City and the

Bond Registrar, duly executed by the registered owner or by his or her duly authorized attorney-in-fact or legal representative. No Bond may be registered to bearer.

Any new Bond delivered upon any transfer or exchange shall be a valid obligation of the City, evidencing the same debt as the Bond surrendered, shall be secured by this Ordinance and entitled to all of the security and benefits hereof to the same extent as the Bond surrendered.

10. Charges for Exchange or Transfer. No charge shall be made for any exchange or transfer of the Bond, but the City may require payment by the registered owner of the Bond of a sum sufficient to cover any tax or other governmental charge which may be imposed with respect to the transfer or exchange of such Bond.

11. Defeasance. The Bond may be defeased pursuant to Section 15.2-2623 of the Code of Virginia of 1950, as amended, or any successor statute and shall be deemed no longer outstanding upon the establishment of an escrow or sinking fund for the Bond meeting the requirements of, and the satisfaction of other conditions, if any, to defeasance, set forth in such Section 15.2-2623 or successor statute.

12. Further Actions. The City Manager and the Director of Finance and such officers and agents of the City as either of them may designate are authorized and directed to take such further action as they deem necessary regarding issuance and sale of the Bond, including the execution and delivery of such bond purchase agreement as may be required in connection with the negotiated sale of the Bond and the execution and delivery of any such other documents, agreements and certificates as they may deem necessary or desirable and all actions taken by such officers and agents in connection with the issuance and sale of the Bond are ratified and confirmed.

13. Filing with Circuit Court. The Clerk is authorized and directed to see to the immediate filing of a certified copy of this Ordinance in the Circuit Court of the City of Alexandria, Virginia.

14. Effective Date; Applicable Law. The City Council elects to issue the Bond pursuant to the provisions of the Public Finance Act of 1991, Chapter 26, Title 15.2, Code of Virginia of 1950, as amended (the "Act"), in accordance with Section 15.2-2601 of the Act. This Ordinance shall take effect at the time of its enactment.

WILLIAM D. EUILLE  
Mayor

Final Passage: November 14, 2015

