

ORDINANCE NO. 5123

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ALEXANDRIA, VIRGINIA
AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION DEBT INSTRUMENTS

THE CITY COUNCIL OF ALEXANDRIA HEREBY ORDAINS:

WHEREAS, the City Council (the “City Council”) of the City of Alexandria, Virginia (“City”) has determined that it is necessary and desirable to provide short-term financing (the “Interim Financing”) to facilitate efficient cash management operations as a part of the City’s capital improvement program, and particularly to provide interim financing for all or a portion of the costs of acquiring (which may include, but shall not necessarily be limited to, acquiring land), constructing, renovating, improving and/or equipping the following (subject to change in accordance with the City’s capital expenditure cash flow needs and Virginia law): transportation infrastructure (which may include, but shall not necessarily be limited to: the proposed Potomac Yard Metrorail Station), schools, other public buildings, fire, rescue and/or public safety facilities, water and/or sewer improvements, and/or other City-approved capital improvement plan projects (collectively, the “Projects”) prior to the issuance of long-term debt and that it is advisable to incur debt in the maximum aggregate principal amount of \$250,000,000 to provide such Interim Financing; and

WHEREAS, the City Council has determined that it is advisable for the City to implement one or more of the following financing arrangements (each a “Financing Arrangement”) to provide the Interim Financing: (i) a line of credit transaction with a lender, which line of credit may, but need not, be revolving; (ii) a direct lending credit facility; (iii) a liquidity facility and (iv) an alternative short-term funding program; and

WHEREAS, the City Council desires to authorize the City Manager and the Director of Finance of the City, either of whom may act alone (the “Authorized Officer”) (i) to select the particular Financing Arrangement or Financing Arrangements to be used to effect the Interim Financing and (ii) to determine the form and terms of the line of credit, the direct lending facility, the liquidity facility and the alternative short-term funding program, as applicable.

1. Authorization of Interim Financing and Use of Proceeds. The City Council hereby determines that it is advisable and in the best interest of the City to undertake the Interim Financing with respect to the Projects and, in connection therewith, to contract debt and to enter into one or more of the Financing Arrangements, as defined above. The Authorized Officer is authorized and directed to select and implement the Financing Arrangement or Financing Arrangements for the Interim Financing that such officer, in consultation with the City’s financial advisor, determines to be in the best interests of the City.

2. Authorization of Debt Instruments and Financing Documents. The City Council hereby authorizes the issuance and delivery of notes, bonds or other obligations of the City for the payment of money (the “Debt Instruments”) in connection with the Financing Arrangements. The City Council hereby authorizes the execution and delivery by the Authorized Officer on behalf of the City of such agreements, certificates and other documents (the “Financing Documents”) as may

be necessary or desirable in the determination of the Authorized Officer, to consummate the Financing Arrangements, including without limitation loan agreements, credit agreements, financing agreements, liquidity support agreements, reimbursement agreements and documents establishing any alternative short-term funding program. The Financing Documents shall contain such terms and provisions as the Authorized Officer, in consultation with the City's financial advisor, determines to be in the best interest of the City and may provide for the payment by the City of such fees (including without limitation unused line of credit fees and liquidity provider fees) as the Authorized Officer determines to be reasonable. The approval of the final terms and conditions of the Financing Documents shall be evidenced conclusively by the execution and delivery of the Financing Documents by the Authorized Officer, subject to the parameters set forth in Section 4.

3. Pledge of Full Faith and Credit. The full faith and credit of the City are hereby irrevocably pledged for the payment of the principal of, premium, if any, and interest on the Debt Instruments as the same become due and payable. The City Council shall levy an annual ad valorem tax upon all property in the City, subject to local taxation, sufficient to pay the principal of, premium, if any, and interest on the Debt Instruments as the same shall become due for payment unless other funds are lawfully available and appropriated for the timely payment thereof.

4. Details and Sale of Debt Instruments. The Debt Instruments 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 Debt Instruments shall be issued in one or more series, in fully registered form, shall be dated such date or dates as the Authorized Officer, may approve and shall be in the denominations of \$5,000 each or whole multiples thereof. The Debt Instruments of a series shall be numbered from R-1 upwards consecutively or in such other manner as determined by the Authorized Officer. The Authorized Officer is hereby authorized and directed to determine the principal amount of the Debt Instruments, whether the Debt Instruments bear interest at a fixed or variable rate, whether the Debt Instruments bear interest that is includible in or excludable from gross income for purposes of federal income taxation, the payment dates for the principal, premium, if any, and interest on the Debt Instruments and the maturity dates for the Debt Instruments, provided that: (a) the final maturity of any series of Debt Instruments shall not be more than five (5) years from the dated date of such series of Debt Instruments; (b) the aggregate principal amount of the Debt Instruments shall not exceed \$250,000,000; and (c) the Debt Instruments shall (i) if issued bearing interest at a variable rate, bear interest based on a public index and (ii) in no event bear interest at a rate exceeding the maximum rate permitted by law. The Debt Instruments may be sold pursuant to a public or private placement and may be sold on a negotiated or competitive bid basis, all as may be determined by the Authorized Officer. The Authorized Officer is authorized and directed, at his or her option, to accept a bid or bids for the purchase of the Debt Instruments which results in the lowest true interest cost to the City and the Debt Instruments shall bear interest at such rate or rates and shall be sold to the successful bidder or bidders at such price as may be set forth in the bid or bids so accepted, or, if he or she deems it to be in the City's financial interest, to forego such competitive bidding and negotiate the sale of the Debt Instruments to one or more initial purchasers. The Authorized Officer is authorized and directed to select or approve any underwriter, purchaser, liquidity provider or other facility provider as may be necessary or appropriate to implement the Financing Arrangements selected pursuant to Section 1. The Authorized Officer is authorized and directed to approve such optional

redemption or prepayment provisions for the Debt Instruments as such officer determines to be in the best interest of the City. The City Council may provide for additional or other terms of the Debt Instruments by subsequent resolution.

5. Form of Debt Instruments. The Debt Instruments shall be in a form consistent with the provisions of this Ordinance and approved by the Authorized Officer, in consultation with the financial advisor and bond counsel to the City. There may be endorsed on the Debt Instruments 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. Book-Entry-Only-Form. The Debt Instruments may, but need not, be issued in book-entry-only form. The Debt Instruments shall be issued in fully-registered form and may be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”) as registered owner of the Debt Instruments, and immobilized in the custody of DTC. One fully-registered Debt Instrument in typewritten or printed form for the principal amount of each maturity of the Debt Instruments may be registered to Cede & Co. In such event, beneficial owners of the Debt Instruments shall not receive physical delivery of the Debt Instruments and principal, premium, if any, and interest payments on the Debt Instruments shall be made to DTC or its nominee as registered owner of the Debt Instruments on the applicable payment date.

Transfer of ownership interest in the Debt Instruments may be made by DTC and its participants (the “Participants”), acting as nominees of the beneficial owners of the Debt Instruments in accordance with rules specified by DTC and its Participants. In such event, the City shall notify DTC of any notice required to be given pursuant to this Ordinance or the Debt Instruments not less than fifteen (15) calendar days prior to the date upon which such notice is required to be given and the City shall also comply with the agreements set forth in the City’s Letter of Representations to DTC.

In the event the Debt Instruments are issued in book-entry-only form and registered in the name of DTC’s nominee as permitted above, replacement Debt Instruments (the “Replacement Debt Instruments”) may be issued directly to beneficial owners of the Debt Instruments rather than to DTC or its nominee but only in the event that:

- (i) DTC determines not to continue to act as securities depository for the Debt Instruments; or
- (ii) The City has advised DTC of its determination not to use DTC as a securities depository; or
- (iii) The City has determined that it is in the best interest of the beneficial owners of the Debt Instruments or the City not to continue the book-entry system of transfer.

Upon occurrence of an event described in (i) or (ii) above, the City shall attempt to locate another qualified securities depository. If the City fails to locate another qualified securities depository to replace DTC, the City Council shall execute and deliver Replacement Debt

Instruments substantially in the form of the Debt Instruments being replaced to the Participants. In the event the City Council, in its discretion, makes the determination noted in (iii) above and has made provisions to notify the beneficial owners of the Debt Instruments by mailing an appropriate notice to DTC, the appropriate officers and agents of the City shall execute and deliver Replacement Debt Instruments substantially in the form of the Debt Instruments being replaced to any Participants requesting such Replacement Debt Instruments. Principal of and interest on the Replacement Debt Instruments shall be payable as provided in this Ordinance and in the Debt Instruments and Replacement Debt Instruments will be transferable in accordance with the provisions of paragraphs 10 and 11 of this Ordinance and the Debt Instruments.

7. Appointment of Registrar and Paying Agent. The Council hereby appoints the Director of Finance as Registrar and Paying Agent (the “Registrar”) for the Debt Instruments. The Authorized Officer may appoint a subsequent registrar and/or one or more paying agents for any Debt Instruments upon giving written notice to the registered owners of the affected Debt Instruments specifying the name and location of the principal office of any such registrar or paying agent.

8. Execution of Debt Instruments. The Mayor and the Clerk of the City are authorized and directed to execute the Debt Instruments and to affix the seal of the City thereto and to deliver the Debt Instruments to the purchaser or purchasers thereof. 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 Debt Instruments shall not be valid until signed at the foot thereof by the manual signature of the Registrar. The Authorized Officer’s approval or determination of the details and provisions of the Debt Instruments that the Authorized Officer has been authorized or directed to approve under this Ordinance shall be evidenced conclusively by the execution and delivery of the Debt Instruments by the Mayor and the Clerk of the City on the City’s behalf, subject to the parameters set forth in Section 4.

9. CUSIP Numbers. The Debt Instruments may, but need not, have CUSIP identification numbers printed thereon. No such number shall constitute a part of the contract evidenced by the Debt Instrument 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.

10. Registration, Transfer and Exchange. Upon surrender for transfer or exchange of any Debt Instrument at the principal office of the Registrar, the City shall execute and deliver and the Registrar shall authenticate in the name of the transferee or transferees a new Debt Instrument or Debt Instruments of any authorized denomination in an aggregate principal amount equal to the Debt Instrument surrendered and of the same form and maturity and bearing interest at the same rate as the Debt Instrument surrendered, subject in each case to such reasonable regulations as the City and the Registrar may prescribe. All Debt Instruments 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 Registrar, duly executed by the registered owner or by his or her duly authorized attorney-in-fact or legal representative. No Debt Instrument may be registered to bearer.

New Debt Instruments delivered upon any transfer or exchange shall be valid obligations of the City, evidencing the same debt as the Debt Instruments surrendered, and shall be secured by this Ordinance and entitled to all of the security and benefits hereof to the same extent as the Debt Instruments surrendered.

11. Charges for Exchange or Transfer. No charge shall be made for any exchange or transfer of Debt Instruments, but the City may require payment by the registered owner of any Debt Instrument 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 Debt Instrument.

12. Non-Arbitrage Certificate and Tax Covenants. The Authorized Officer and such officers and agents of the City the Authorized Officer may designate are authorized and directed to execute with respect to any Debt Instruments, the interest on which is intended to be excludable from gross income for federal income tax purposes, one or more Non-Arbitrage Certificate and Tax Covenants setting forth the expected use and investment of the proceeds of the Debt Instruments and containing such covenants as may be necessary in order to comply with the provisions of the Tax Code, including the provisions of Section 148 of the Tax Code and applicable regulations relating to “arbitrage bonds.” The City Council covenants on behalf of the City that the proceeds from the issuance and sale of any such Debt Instruments will be invested and expended as set forth in the City’s respective Non-Arbitrage Certificate and Tax Covenants relating to such Debt Instruments and that the City shall comply with the other covenants and representations contained therein.

13. Defeasance. Debt Instruments 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 such Debt Instruments 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.

14. Disclosure Documents. The Authorized Officer and such officers and agents of the City as the Authorized Officer may designate are hereby authorized and directed to prepare, execute, if required, and deliver, in connection with any public offering of the Debt Instruments, an appropriate notice of sale, preliminary official statement, official statement, continuing disclosure agreement or such other offering or disclosure documents as may be necessary to expedite the sale of the Debt Instruments. The notice of sale, preliminary official statement, official statement, continuing disclosure agreement or other documents shall be published in such publications and distributed in such manner, including electronically, and at such times as the Authorized Officer shall determine. The Authorized Officer is authorized and directed to deem the preliminary official statement “final” for purposes of Securities and Exchange Commission Rule 15c2-12.

15. Interest Rate Hedge. The Authorized Officer is hereby authorized to the extent he or she deems to be in the best interest of the City to procure, for any series of Debt Instruments, an interest rate hedge, cap, collar or similar arrangement (the “Interest Rate Hedge”) to protect the City against increases in interest rates if such Debt Instruments bear interest at a variable rate;

provided that the notional amount of any Interest Rate Hedges shall not exceed \$250,000,000 in the aggregate. The documents evidencing the Interest Rate Hedge and the City's obligations in connection therewith shall be typical for such arrangements and the Authorized Officer is hereby authorized to execute and deliver the same on behalf of the City.

16. Further Actions. The Authorized Officer and such officers and agents of the City as the Authorized Officer may designate are authorized and directed to take such further action as they deem necessary regarding the issuance and sale of the Debt Instruments including the execution and delivery of such purchase agreement or agreements as may be required in connection with any negotiated sale of the Debt Instruments 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 Debt Instruments are ratified and confirmed. The authorizations granted in this Ordinance to the Mayor, the City Clerk, the City Manager and the Director of Finance may be carried out by the Vice Mayor, any Deputy City Clerk, any Acting or Deputy City Manager or any Assistant Director of Finance, as appropriate, in the absence of the primary officer.

17. Reimbursement. The City Council adopts this declaration of official intent under Treasury Regulations Section 1.150-2. The City Council reasonably expects to reimburse advances made or to be made by the City to pay the costs of the Projects from the proceeds of its debt. The maximum amount of debt expected to be issued for the Projects is \$250,000,000. The City hereby authorizes the Authorized Officer, on behalf of the City, to specifically declare the City's official intent to reimburse portions of the cost of the Projects with proceeds of the Debt Instruments.

18. Effective Date; Applicable Law. In accordance with Section 15.2-2601 of the Code of Virginia of 1950, as amended, the City Council elects to issue the Debt Instruments pursuant to the provisions of the Public Finance Act of 1991 without regard to the requirements, restrictions or other provisions contained in the Charter of the City. This Ordinance shall take effect at the time of its enactment.

ALLISON SILBERBERG
Mayor

Final Passage: April 14, 2018