

RESOLUTION NO. 543

WHEREAS, it is clear that the Washington Metropolitan Area Transit Authority will not be able to meet both FY 1978 operating costs and interest payments due on transit revenue bonds from operating revenues plus subsidies approved by local jurisdictions, and

WHEREAS, the Washington Metropolitan Area Transit Authority has requested the local jurisdictions to review and comment on a proposal to allocate Fiscal Year 1978 debt service requirements on the basis of the Metrorail Capital Cost Formula, and

WHEREAS, the proposed allocations of the jurisdictional shares of said debt service assume that the Federal Government will provide 80% of the net debt service requirements, after deduction of the Federal interest subsidy, and

WHEREAS, the assumed \$3,316,500 interest payment requested of local jurisdictions is comprised entirely of non-capitalized interest due on series A, B, and C transit revenue bonds, and

WHEREAS, these revenue bonds are guaranteed by the United States Government, and

WHEREAS, the City of Alexandria, in conjunction with the issue of series D revenue bonds, adopted Resolution 287 which stated that,

"In the event that the Alexandria City Council, by majority vote, affirmatively approved a Metro rate structure or fare policy, with knowledge that implementation of such rate structure or fare policy will produce insufficient revenues to enable the Washington Metropolitan Area Transit Authority to meet the projected operating costs and debt service requirements of its rail rapid transit system, then and in that event, the Alexandria City Council pledges that it will, to the extent permitted by the law of the State of Virginia, provide additional financial assistance to the WMATA to assist it in meeting its obligations under its rail rapid transit revenue bonds. Such additional financial assistance shall be proportionate to the loss of revenue, directly attributable to the City of Alexandria, under allocation formulae affirmatively approved by the City Council, that results from the approval by this Council of such rate structure or policy." and

WHEREAS, the Alexandria City Council has neither approved a Metrorail rate structure nor a formula for allocating the loss of revenue resulting from approval of a rate structure insufficient to provide revenue sufficient to meet operating costs and debt service, and

WHEREAS, the City of Alexandria is legally unable to participate in said proposed allocation in the absence of contractual obligation to do so, and

WHEREAS, the City Council, by motion adopted on January 11, 1977, stated its position that "Alexandria considers it imperative that a plan be developed and adopted by the Federal government WMATA, and the local jurisdictions for resolving the issue of Federally guaranteed revenue bonds," and

WHEREAS, the United States Government which is guarantor of these bonds has not proposed any plan for meeting these obligations,

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ALEXANDRIA, THAT:

1. The City of Alexandria has no legal obligation to participate in the payments for the Federally guaranteed rail transit bonds;
2. In the absence of a firm proposal by the United States Government for handling interest payments due in the 1977 and 1978 fiscal years and for Federal participation in the FY 1978 rail capital construction program, the City of Alexandria is unable and unwilling to commit itself to participation in paying for interest due on Federally guaranteed bonds.

Adopted April 26, 1977

Helen Hölleman, Clerk of the City of Alexandria,  
Virginia