

EXHIBIT NO. 1


11
~~3-17-12~~ ~~10~~
~~3-13-12~~

City of Alexandria, Virginia

MEMORANDUM

DATE: MARCH 7, 2012

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: RASHAD M. YOUNG, CITY MANAGER 

SUBJECT: ORDINANCE AUTHORIZING AND EMPOWERING THE
ISSUANCE, SALE AND DELIVERY OF GENERAL OBLIGATION
BONDS TO FINANCE VARIOUS CAPITAL PROJECTS

ISSUE: Consideration of an ordinance to authorize the issuance of General Obligation Bonds to finance various City and School capital projects.

RECOMMENDATION: That City Council pass on first reading on March 13, 2012, and schedule for public hearing, second reading, and final passage on March 17, 2012, an ordinance (Attachment I) authorizing and empowering the issuance, sale and delivery of bonds up to \$76.82 million to finance various public improvements.

BACKGROUND: The proposed ordinance authorizes the issuance of up to \$76.82 million in General Obligation Bonds for FY 2012 and FY 2013 capital projects. This issuance for City capital projects would be consistent with the approved Capital Improvement Program (CIP) (Approved Capital Improvement Program FY 2012, page 5-3). This is an estimate of the maximum authority that the City may need. The actual amount of bonds the City issues will depend on the City's cash needs as well as interest rate conditions in the marketplace.

MAJOR PROJECT CATEGORIES AND AMOUNTS COVERED BY THIS BOND AUTHORIZATION

General Project Description	Estimated Maximum Cost
<u>Schools</u> Construction, remodeling and repairing of school buildings and acquisition of necessary equipment (includes projects contained in the capital improvement program under "Schools").	\$15,890,000
<u>City Parks and Buildings</u> Construction, renovation and improvement of existing of new City buildings and park facilities and acquisition of necessary land and equipment (includes projects contained in the capital improvement program under "Recreation and Parks" and "Public Buildings").	\$16,250,000
<u>Traffic Improvements</u> Maintenance and upgrade of the City's traffic control (includes projects contained in the capital improvement program under "Public Transportation and Traffic Control").	\$17,925,000
<u>Information Technology</u> Maintenance and upgrade of the City's information technology infrastructure and hardware, networks, and software (includes projects contained in the capital improvement program under "Information Technology Plan").	\$ 10,300,000
<u>Infrastructure</u> Construction, renovation and improvement of City streets, bridges, storm and sanitary sewers and acquisition of necessary equipment (includes projects contained in the capital improvement program under "Community Development," "Streets, Bridges and Pedestrian Improvements," "Stormwater Management," and "Sanitary Sewers").	\$14,955,000
<u>Affordable Housing</u> Acquisition, construction, remodeling and repairing of affordable housing and acquisition of necessary land and equipment.	\$1,500,000
Total	\$76,820,000

Proposed Structure of the Bonds: As is the City's practice, the contemplated \$76.82 million bond issue for FY 2012 and FY 2013 will be issued as full faith and credit general obligation bonds. They will be serial bonds with an aggressive repayment schedule of planned annual fixed repayment amounts over the life of the bonds, include a 10-year call provision, and be competitively bid on the internet. It is expected that bonds

will be rated Aaa with a negative outlook by Moody's Investors Service and AAA by Standard & Poor's.

The bonds are expected to be issued as tax-exempt, fixed-rate bonds. Given the current market demands for AAA/Aaa-rated municipal bonds and given favorable market conditions that have seen the municipal bond market outperforming other markets, the City should see the True Interest Cost (TIC) for the City and School bonds in the 3.0 percent to 3.3 percent TIC range despite the negative outlook assigned by Moody's. This compares to a 3.18 percent TIC for the July 2011 City bond issue.

FISCAL IMPACT: The fiscal impact of the \$76.82 million bond issuance for City and School purposes will be \$1.4 million in estimated interest payments in FY 2013.

ATTACHMENT:

Attachment 1 - Ordinance Authorizing and Empowering the Issuance, Sale and Delivery of General Obligation Bonds

STAFF:

Mark Jinks, Deputy City Manager

Bruce Johnson, Chief of Staff

Laura B. Triggs, Acting Chief Financial Officer

1	Introduction and first reading:	03/13/2012
2	Public hearing:	03/17/2012
3	Second reading and enactment:	03/17/2012

INFORMATION ON PROPOSED ORDINANCE

7 Title

9 AN ORDINANCE of the City Council of the City of Alexandria, Virginia authorizing the
10 Issuance of General Obligation Bonds in the estimated maximum amount of
11 \$76,820,000; and providing for reimbursement to the City of Alexandria from
12 bond proceeds.

14 Summary

16 The proposed ordinance authorizes the issuance of general obligation bonds for
17 various city and school capital projects in the estimated maximum amount of
18 \$76,820,000.

20 Sponsor

22 Staff

24 Mark Jinks, Deputy City Manager
25 Bruce Johnson, Chief of Staff
26 Laura Triggs, Acting Chief Financial Officer
27 Christina Zechman Brown, Assistant City Attorney

29 Authority

31 § 7.01, Alexandria City Charter

33 Estimated Costs of Implementation

35 None

37 Attachments in Addition to Proposed Ordinance and its Attachments (if any)

39 None

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ALEXANDRIA, VIRGINIA
AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION CAPITAL
IMPROVEMENT BONDS IN THE ESTIMATED MAXIMUM AMOUNT OF
\$76,820,000; AND PROVIDING FOR REIMBURSEMENT TO THE CITY OF
ALEXANDRIA FROM BOND PROCEEDS.

THE CITY COUNCIL OF ALEXANDRIA HEREBY ORDAINS:

WHEREAS, the City Council of the City of Alexandria, Virginia ("City") has determined that it is advisable to issue up to \$76,820,000 general obligation bonds of the City to finance the cost, in whole or in part, of various capital improvements as described below (the "Projects").

1. Authorization of Bonds and Use of Proceeds. The City Council hereby determines that it is advisable to contract a debt and to issue and sell general obligation bonds in the aggregate maximum principal amount of \$76,820,000 (the "Bonds"). The issuance and sale of the Bonds are hereby authorized. The proceeds from the issuance and sale of the Bonds shall be used to pay all or a portion of the costs of the Projects as described below and the City's Chief Financial Officer (acting or otherwise) and Director of Finance, or either of them, is authorized and directed to determine the portion of the cost of each Project to be financed with Bond proceeds and to reallocate Bond proceeds among the Projects if necessary or desirable.

<u>General Project Description</u>	<u>Estimated Maximum Cost</u>
<u>Schools</u>	\$15,890,000
Construction, remodeling and repairing of school buildings and acquisition of necessary equipment (includes projects contained in the capital improvement program under "Schools").	
<u>City Parks and Public Buildings</u>	\$16,250,000
Construction, renovation and improvement of existing and new City buildings and park facilities and acquisition of necessary land and equipment (includes projects contained in the capital improvement program under "Recreation and Parks" and "Public Buildings").	
<u>Transportation and Metro Improvements</u>	\$17,925,000
Maintenance and upgrade of the City's Traffic control (includes projects contained in the capital improvement program under "Public Transportation and Traffic Control," and including,	

1	without limitation, payment of the City's share of	
2	certain Washington Metropolitan Area Transit	
3	Authority (i.e., "METRO") capital improvements).	
4		
5	<u>Information Technology</u>	\$10,300,000
6	Maintenance and upgrade of the City's information	
7	technology infrastructure and hardware, networks,	
8	and software (includes projects contained in the	
9	capital improvement program under "Information	
10	Technology Plan").	
11		
12	<u>Infrastructure</u>	\$14,955,000
13	Construction, renovation and improvement of City	
14	streets, bridges, storm and sanitary sewers and	
15	acquisition of necessary equipment (includes	
16	projects contained in the capital improvement	
17	program under "Community Development,"	
18	"Streets, Bridges and Pedestrian Improvements,"	
19	"Stormwater Management" and "Sanitary	
20	Sewers").	
21		
22	<u>Affordable Housing</u>	\$1,500,000
23	Acquisition, construction, remodeling and	
24	repairing of affordable housing and acquisition of	
25	necessary land and equipment.	
26		
27	<u>Total:</u>	\$76,820,000
28		

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

35
36 3. Details and Sale of Bonds. The Bonds shall be issued upon the terms established
37 pursuant to this Ordinance and upon such other terms as may be determined in the manner set
38 forth in this Ordinance. The Bonds shall be issued in one or more taxable or tax-exempt series,
39 in fully registered form, shall be dated such date or dates as the City Manager, the Chief
40 Financial Officer (acting or otherwise) and the Director of Finance, or any one of them (the
41 "Authorized Officer"), may approve, shall be in the denominations of \$5,000 each or whole
42 multiples thereof and shall be numbered from R-1 upwards consecutively. The Bonds shall
43 mature on such dates and in such amounts and shall be issued in such principal amount as the
44 Authorized Officer may approve, provided that the final maturity of any Bond is not more than
45 approximately 25 years from its date and the aggregate principal amount of the Bonds is not
46 more than \$76,820,000. The Authorized Officer is authorized and directed, at his or her option,

1 to accept a bid or bids for the purchase of the Bonds which results in the lowest true interest cost
2 to the City and the Bonds shall bear interest, payable semi-annually, at such rate or rates and
3 shall be sold to the successful bidder or bidders at such price as may be set forth in the bid or
4 bids so accepted, or, if he or she deems it to be in the City's financial interest, to forego such
5 competitive bidding and negotiate the sale of the Bonds to one or more initial purchasers;
6 provided that the true interest cost of the Bonds shall not exceed 6.5% per annum. The
7 Authorized Officer is authorized and directed to approve such optional redemption provisions for
8 the Bonds as such officer or officers determine to be in the best interest of the City. The City
9 Council may provide for additional or other terms of the Bonds by subsequent resolution.

10
11 4. Form of Bonds. The Bonds shall be in substantially the form attached to this
12 Ordinance as Exhibit A, with such appropriate variations, omissions and insertions as are
13 permitted or required by this Ordinance. There may be endorsed on the Bonds such legend or
14 text as may be necessary or appropriate to conform to any applicable rules and regulations of any
15 governmental authority or any usage or requirement of law with respect thereto.

16
17 5. Book-Entry-Only-Form. The Bonds may be issued in book-entry-only form. The
18 Bonds shall be issued in fully-registered form and may be registered in the name of Cede & Co.,
19 as nominee of The Depository Trust Company, New York, New York ("DTC") as registered
20 owner of the Bonds, and immobilized in the custody of DTC. One fully-registered Bond in
21 typewritten or printed form for the principal amount of each maturity of the Bonds may be
22 registered to Cede & Co. In such event, beneficial owners of the Bonds shall not receive
23 physical delivery of the Bonds and principal, premium, if any, and interest payments on the
24 Bonds shall be made to DTC or its nominee as registered owner of the Bonds on the applicable
25 payment date.

26
27 Transfer of ownership interest in the Bonds may be made by DTC and its participants
28 (the "Participants"), acting as nominees of the beneficial owners of the Bonds in accordance with
29 rules specified by DTC and its Participants. In such event, the City shall notify DTC of any
30 notice required to be given pursuant to this Ordinance or the Bonds not less than fifteen (15)
31 calendar days prior to the date upon which such notice is required to be given and the City shall
32 also comply with the agreements set forth in the City's Letter of Representations to DTC.

33
34 In the event the Bonds are issued in book-entry-only form and registered in the name of
35 DTC's nominee as permitted above, replacement Bonds (the "Replacement Bonds") may be
36 issued directly to beneficial owners of the Bonds rather than to DTC or its nominee but only in
37 the event that:

- 38
39 (i) DTC determines not to continue to act as securities depository for the Bonds; or
40
41 (ii) The City has advised DTC of its determination not to use DTC as a securities
42 depository; or
43
44 (iii) The City has determined that it is in the best interest of the beneficial owners of
45 the Bonds or the City not to continue the book-entry system of transfer.
46

1 Upon occurrence of an event described in (i) or (ii) above, the City shall attempt to locate
2 another qualified securities depository. If the City fails to locate another qualified securities
3 depository to replace DTC, the City Council shall execute and deliver Replacement Bonds
4 substantially in the form set forth in Exhibit A to this Ordinance to the Participants. In the event
5 the City Council, in its discretion, makes the determination noted in (iii) above and has made
6 provisions to notify the beneficial owners of the Bonds by mailing an appropriate notice to DTC,
7 the appropriate officers and agents of the City shall execute and deliver Replacement Bonds
8 substantially in the form set forth in Exhibit A to this Ordinance to any Participants requesting
9 such Replacement Bonds. Principal of and interest on the Replacement Bonds shall be payable
10 as provided in this Ordinance and in the Bonds and Replacement Bonds will be transferable in
11 accordance with the provisions of paragraphs 9 and 10 of this Ordinance and the Bonds.
12

13 6. Appointment of Bond Registrar and Paying Agent. The Authorized Officer is
14 authorized and directed to appoint a Bond Registrar and Paying Agent for the Bonds, and as long
15 as the Bonds are in book-entry form, any of such officers may serve as Paying Agent.
16

17 The Authorized Officer may appoint a subsequent registrar and/or one or more paying
18 agents for the Bonds upon giving written notice to the owners of the Bonds specifying the name
19 and location of the principal office of any such registrar or paying agent.
20

21 7. Execution of Bonds. The Mayor and the Clerk of the City are authorized and directed
22 to execute appropriate negotiable Bonds and to affix the seal of the City thereto and to deliver
23 the Bonds to the purchaser thereof upon payment of the purchase price. The manner of
24 execution and affixation of the seal may be by facsimile, provided, however, that if the
25 signatures of the Mayor and the Clerk are both by facsimile, the Bonds shall not be valid until
26 signed at the foot thereof by the manual signature of the Bond Registrar.
27

28 8. CUSIP Numbers. The Bonds may have CUSIP identification numbers printed
29 thereon. No such number shall constitute a part of the contract evidenced by the Bond on which
30 it is imprinted and no liability shall attach to the City, or any of its officers or agents by reason of
31 such numbers or any use made of such numbers, including any use by the City and any officer or
32 agent of the City, by reason of any inaccuracy, error or omission with respect to such numbers.
33

34 9. Registration, Transfer and Exchange. Upon surrender for transfer or exchange of any
35 Bond at the principal office of the Bond Registrar, the City shall execute and deliver and the
36 Bond Registrar shall authenticate in the name of the transferee or transferees a new Bond or
37 Bonds of any authorized denomination in an aggregate principal amount equal to the Bond
38 surrendered and of the same form and maturity and bearing interest at the same rate as the Bond
39 surrendered, subject in each case to such reasonable regulations as the City and the Bond
40 Registrar may prescribe. All Bonds presented for transfer or exchange shall be accompanied by
41 a written instrument or instruments of transfer or authorization for exchange, in form and
42 substance reasonably satisfactory to the City and the Bond Registrar, duly executed by the
43 registered owner or by his or her duly authorized attorney-in-fact or legal representative. No
44 Bond may be registered to bearer.
45

1 New Bonds delivered upon any transfer or exchange shall be valid obligations of the
2 City, evidencing the same debt as the Bonds surrendered, shall be secured by this Ordinance and
3 entitled to all of the security and benefits hereof to the same extent as the Bonds surrendered.
4

5 10. Charges for Exchange or Transfer. No charge shall be made for any exchange or
6 transfer of Bonds, but the City may require payment by the registered owner of any Bond of a
7 sum sufficient to cover any tax or other governmental charge which may be imposed with
8 respect to the transfer or exchange of such Bond.
9

10 11. Non-Arbitrage Certificate and Tax Covenants. The Authorized Officer and such
11 officers and agents of the City the Authorized Officer may designate are authorized and directed
12 to execute with respect to the Bonds a Non-Arbitrage Certificate and Tax Covenants setting forth
13 the expected use and investment of the proceeds of the Bonds and containing such covenants as
14 may be necessary in order to comply with the provisions of the Tax Code, including the
15 provisions of Section 148 of the Tax Code and applicable regulations relating to "arbitrage
16 bonds." The City Council covenants on behalf of the City that the proceeds from the issuance
17 and sale of the Bonds will be invested and expended as set forth in the City's Non-Arbitrage
18 Certificate and Tax Covenants relating to such Bonds, to be delivered simultaneously with the
19 issuance and delivery of the Bonds and that the City shall comply with the other covenants and
20 representations contained therein.
21

22 12. Defeasance. Bonds may be defeased pursuant to Section 15.2-2623 of the Code of
23 Virginia of 1950, as amended, or any successor statute and shall be deemed no longer
24 outstanding upon the establishment of an escrow or sinking fund for such Bonds meeting the
25 requirements of, and the satisfaction of other conditions, if any, to defeasance, set forth in such
26 Section 15.2-2623 or successor statute
27

28 13. Disclosure Documents. The Authorized Officer and such officers and agents of the
29 City as the Authorized Officer may designate are hereby authorized and directed to prepare,
30 execute, if required, and deliver an appropriate notice of sale, preliminary official statement,
31 official statement, continuing disclosure agreement or such other offering or disclosure
32 documents as may be necessary to expedite the sale of the Bonds. The notice of sale,
33 preliminary official statement, official statement, continuing disclosure agreement or other
34 documents shall be published in such publications and distributed in such manner, including
35 electronically, and at such times as the Chief Financial Officer (acting or otherwise) and the
36 Director of Finance, or either of them, shall determine. The Chief Financial Officer (acting or
37 otherwise) and the Director of Finance, or either of them, is authorized and directed to deem the
38 preliminary official statement "final" for purposes of Securities and Exchange Commission Rule
39 15c2-12.
40

41 14. RESERVED.
42

43 15. Further Actions. The Authorized Officer and such officers and agents of the City as
44 the Authorized Officer may designate are authorized and directed to take such further action as
45 they deem necessary regarding the issuance and sale of the Bonds including the execution and
46 delivery of such bond purchase agreement as may be required in connection with any negotiated

1 sale of the Bonds and the execution and delivery of any such other documents, agreements and
2 certificates (including applications for tax credits) as they may deem necessary or desirable and
3 all actions taken by such officers and agents in connection with the issuance and sale of the
4 Bonds are ratified and confirmed.
5

6 16. Reimbursement. The City Council adopts this declaration of official intent under
7 Treasury Regulations Section 1.150-2. The City Council reasonably expects to reimburse
8 advances made or to be made by the City to pay the costs of the Projects from the proceeds of its
9 debt. The maximum amount of debt expected to be issued for the Projects is set forth in
10 paragraph 1 above. The City hereby authorizes the Chief Financial Officer (acting or otherwise)
11 and the Director of Finance, or either of them, on behalf of the City, to specifically declare the
12 City's official intent to reimburse portions of the cost of the Projects with Bond proceeds.
13

14 17. Effective Date; Applicable Law. In accordance with Section 15.2-2601 of the Code
15 of Virginia of 1950, as amended, the City Council elects to issue the Bonds pursuant to the
16 provisions of the Public Finance Act of 1991. This Ordinance shall take effect at the time of its
17 enactment.
18

19 WILLIAM D. EUILLE
20 Mayor
21

22 Introduction: 3/13/12
23 First Reading: 3/13/12
24 Publication: 3/2/12 & 3/9/12
25 Public Hearing: 3/17/12
26 Second Reading: 3/17/12
27 Final Passage: 3/17/12

ORDINANCE NO. 4755

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ALEXANDRIA, VIRGINIA AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION CAPITAL IMPROVEMENT BONDS IN THE ESTIMATED MAXIMUM AMOUNT OF \$76,820,000; AND PROVIDING FOR REIMBURSEMENT TO THE CITY OF ALEXANDRIA FROM BOND PROCEEDS.

THE CITY COUNCIL OF ALEXANDRIA HEREBY ORDAINS:

WHEREAS, the City Council of the City of Alexandria, Virginia (“City”) has determined that it is advisable to issue up to \$76,820,000 general obligation bonds of the City to finance the cost, in whole or in part, of various capital improvements as described below (the “Projects”).

1. Authorization of Bonds and Use of Proceeds. The City Council hereby determines that it is advisable to contract a debt and to issue and sell general obligation bonds in the aggregate maximum principal amount of \$76,820,000 (the “Bonds”). The issuance and sale of the Bonds are hereby authorized. The proceeds from the issuance and sale of the Bonds shall be used to pay all or a portion of the costs of the Projects as described below and the City’s Chief Financial Officer (acting or otherwise) and Director of Finance, or either of them, is authorized and directed to determine the portion of the cost of each Project to be financed with Bond proceeds and to reallocate Bond proceeds among the Projects if necessary or desirable.

<u>General Project Description</u>	<u>Estimated Maximum Cost</u>
<u>Schools</u> Construction, remodeling and repairing of school buildings and acquisition of necessary equipment (includes projects contained in the capital improvement program under “Schools”).	\$15,890,000
<u>City Parks and Public Buildings</u> Construction, renovation and improvement of existing and new City buildings and park facilities and acquisition of necessary land and equipment (includes projects contained in the capital improvement program under “Recreation and Parks” and “Public Buildings”).	\$20,825,000
<u>Transportation and Metro Improvements</u> Maintenance and upgrade of the City’s Traffic control (includes projects contained in the capital improvement program under “Public Transportation and Traffic Control,” and including, without limitation, payment of the City’s share of certain Washington Metropolitan Area Transit	\$17,175,000

Authority (i.e., “METRO”) capital improvements).

Information Technology \$7,600,000

Maintenance and upgrade of the City’s information technology infrastructure and hardware, networks, and software (includes projects contained in the capital improvement program under “Information Technology Plan”).

Infrastructure \$13,830,000

Construction, renovation and improvement of City streets, bridges, storm and sanitary sewers and acquisition of necessary equipment (includes projects contained in the capital improvement program under “Community Development,” “Streets, Bridges and Pedestrian Improvements,” “ Stormwater Management” and “Sanitary Sewers”).

Affordable Housing \$1,500,000

Acquisition, construction, remodeling and repairing of affordable housing and acquisition of necessary land and equipment.

Total: \$76,820,000

2. 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 Bonds 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 Bonds as the same shall become due for payment unless other funds are lawfully available and appropriated for the timely payment thereof.

3. Details and Sale of Bonds. The Bonds 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 Bonds shall be issued in one or more taxable or tax-exempt series, in fully registered form, shall be dated such date or dates as the City Manager, the Chief Financial Officer (acting or otherwise) and the Director of Finance, or any one of them (the “Authorized Officer”), may approve, shall be in the denominations of \$5,000 each or whole multiples thereof and shall be numbered from R-1 upwards consecutively. The Bonds shall mature on such dates and in such amounts and shall be issued in such principal amount as the Authorized Officer may approve, provided that the final maturity of any Bond is not more than approximately 25 years from its date and the aggregate principal amount of the Bonds is not more than \$76,820,000. The Authorized Officer is authorized and directed, at his or her option, to accept a bid or bids for the purchase of the Bonds which results in the lowest true interest cost to the City and the Bonds shall bear interest, payable semi-annually, 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 Bonds to one or more initial purchasers; provided that the true interest cost of the Bonds shall not exceed 6.5% per annum. The Authorized Officer is authorized and directed to approve such optional redemption provisions for the Bonds as such officer or officers determine to be in the best interest of the City. The City Council may provide for additional or other terms of the Bonds by subsequent resolution.

4. Form of Bonds. The Bonds shall be in substantially the form attached to this Ordinance as Exhibit A, with such appropriate variations, omissions and insertions as are permitted or required by this Ordinance. There may be endorsed on the Bonds 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.

5. Book-Entry-Only-Form. The Bonds may be issued in book-entry-only form. The Bonds 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 Bonds, and immobilized in the custody of DTC. One fully-registered Bond in typewritten or printed form for the principal amount of each maturity of the Bonds may be registered to Cede & Co. In such event, beneficial owners of the Bonds shall not receive physical delivery of the Bonds and principal, premium, if any, and interest payments on the Bonds shall be made to DTC or its nominee as registered owner of the Bonds on the applicable payment date.

Transfer of ownership interest in the Bonds may be made by DTC and its participants (the "Participants"), acting as nominees of the beneficial owners of the Bonds 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 Bonds 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 Bonds are issued in book-entry-only form and registered in the name of DTC's nominee as permitted above, replacement Bonds (the "Replacement Bonds") may be issued directly to beneficial owners of the Bonds 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 Bonds; 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 Bonds 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 Bonds substantially in the form set forth in Exhibit A to this Ordinance 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 Bonds by mailing an appropriate notice to DTC, the appropriate officers and agents of the City shall execute and deliver Replacement Bonds substantially in the form set forth in Exhibit A to this Ordinance to any Participants requesting such Replacement Bonds. Principal of and interest on the Replacement Bonds shall be payable as provided in this Ordinance and in the Bonds and Replacement Bonds will be transferable in accordance with the provisions of paragraphs 9 and 10 of this Ordinance and the Bonds.

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 Bonds, and as long as the Bonds are in book-entry form, any of such officers may serve as Paying Agent.

The Authorized Officer may appoint a subsequent registrar and/or one or more paying agents for the Bonds upon giving written notice to the owners of the Bonds specifying the name and location of the principal office of any such registrar or paying agent.

7. Execution of Bonds. The Mayor and the Clerk of the City are authorized and directed to execute appropriate negotiable Bonds and to affix the seal of the City thereto and to deliver the Bonds to the purchaser thereof upon payment of the purchase price. 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 Bonds shall not be valid until signed at the foot thereof by the manual signature of the Bond Registrar.

8. CUSIP Numbers. The Bonds 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 or Bonds of any authorized denomination 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. All Bonds 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.

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

10. Charges for Exchange or Transfer. No charge shall be made for any exchange or transfer of Bonds, but the City may require payment by the registered owner of any 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. 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 the Bonds a Non-Arbitrage Certificate and Tax Covenants setting forth the expected use and investment of the proceeds of the Bonds 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 the Bonds will be invested and expended as set forth in the City’s Non-Arbitrage Certificate and Tax Covenants relating to such Bonds, to be delivered simultaneously with the issuance and delivery of the Bonds and that the City shall comply with the other covenants and representations contained therein.

12. Defeasance. Bonds 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 Bonds 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

13. 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 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 Bonds. 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 Chief Financial Officer (acting or otherwise) and the Director of Finance, or either of them, shall determine. The Chief Financial Officer (acting or otherwise) and the Director of Finance, or either of them, is authorized and directed to deem the preliminary official statement “final” for purposes of Securities and Exchange Commission Rule 15c2-12.

14. RESERVED.

15. 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 Bonds including the execution and delivery of such bond purchase agreement as may be required in connection with any negotiated sale of the Bonds and the execution and delivery of any such other documents, agreements and certificates (including applications for tax credits) 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 Bonds are ratified and confirmed.

16. 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 set forth in paragraph 1 above. The City hereby authorizes the Chief Financial Officer (acting or otherwise) and the Director of Finance, or either of them, on behalf of the City, to specifically declare the City's official intent to reimburse portions of the cost of the Projects with Bond proceeds.

17. 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 Bonds pursuant to the provisions of the Public Finance Act of 1991. This Ordinance shall take effect at the time of its enactment.

WILLIAM D. EUILLE
Mayor

Final Passage: March 17, 2012