

INTRODUCED: September 9, 2024

A RESOLUTION No. 2024-R031

To approve the Richmond Metropolitan Transportation Authority’s bond issuance as required by Va. Code § 33.2-2902(16).

Patron – Mayor Stoney

Approved as to form and legality
by the City Attorney

PUBLIC HEARING: SEP 23 2024 AT 6 P.M.

WHEREAS, the General Assembly of Virginia created the Richmond Metropolitan Transportation Authority (the “Authority” and formerly known as the Richmond Metropolitan Authority) in 1966 pursuant to Chapter 178 of the Acts of Assembly of 1966 (as amended and in effect from time to time, and as currently codified in Title 33.2, Chapter 29 of the Code of Virginia of 1950, as amended, the “Enabling Act”) for the purpose of, among other things, owning and operating limited access highways within its member jurisdictions; and

WHEREAS, the Authority currently owns and operates the Powhite Parkway, the Downtown Expressway, and the Boulevard Bridge (the “Expressway System”) and has financed and refinanced a portion of the capital needs of the Expressway System with borrowings in the private and public debt markets; and

AYES: _____ NOES: _____ ABSTAIN: _____

ADOPTED: _____ REJECTED: _____ STRICKEN: _____

WHEREAS, as amended in 2014, the Enabling Act requires the approval of the Mayor and the Council of the City of Richmond and the Boards of Supervisors of the Counties of Henrico and Chesterfield in order for the Authority to borrow money and issue bonds, notes, or other evidences of indebtedness; and

WHEREAS, the Authority's Board of Directors has approved the issuance of its Expressway Revenue Bond in the principal amount not to exceed \$10,500,000 (the "RMTA Bond"), in order to provide funding for certain projects in the Authority's capital improvement plan for fiscal years 2025 through 2030 (the "Project"), subject to obtaining the approvals of the Mayor and the member jurisdictions as required by the Enabling Act, and has requested that the Mayor and the jurisdictions provide such approvals; and

WHEREAS, it is in the best interest of the City of Richmond to approve the Authority's issuance of the RMTA Bond;

NOW, THEREFORE,

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF RICHMOND:

1. The Council hereby approves the Authority's issuance of the RMTA Bond, as and to the extent required by the Enabling Act, for the purpose of providing funding for the Project and paying costs of issuance. The RMTA Bond may be issued in one or more series of different principal amounts and interest rates, with the timing, amounts and number of series dependent on the Authority's need for funds and market conditions; provided, however, that in no event shall the RMTA Bond mature later than December 31, 2041.

2. The Council's approval of the Authority's issuance of the RMTA Bond does not constitute an endorsement to prospective purchasers of such obligation of the creditworthiness of the Authority. The RMTA Bond shall not be deemed to constitute a debt of the Commonwealth

of Virginia, the City, or any other political subdivision thereof except the Authority. Neither the Commonwealth of Virginia, the City, nor any other political subdivision thereof, except the Authority, shall be obligated to pay the principal of, redemption premium or late charges, if any, or interest on the RMTA Bond or other costs or amounts incident thereto. Neither the faith and credit nor the taxing power of the Commonwealth of Virginia or any political subdivision thereof, including the City and the Authority, is pledged to the payment of the principal of, redemption premium or late charges, if any, or interest on the RMTA Bond or other costs or amounts incident thereto. The RMTA Bond shall not constitute an indebtedness within the meaning of any debt limitation or restriction.

3. This resolution shall take effect immediately upon its adoption, and shall continue in full force and effect for one year after its adoption, unless extended by subsequent action of the Council.

APPROVED AS TO FORM:



CITY ATTORNEY'S OFFICE



City of Richmond

900 East Broad Street
2nd Floor of City Hall
Richmond, VA 23219
www.rva.gov

Master

File Number: Admin-2024-1027

File ID: Admin-2024-1027

Type: Request for Ordinance or Resolution

Status: Regular Agenda

Version: 1

Reference:

In Control: City Clerk Waiting Room

Department:

Cost:

File Created: 08/21/2024

Subject:

Final Action:

Title:

Internal Notes:

Code Sections:

Agenda Date: 09/09/2024

Indexes:

Agenda Number:

Patron(s):

Enactment Date:

Attachments: Admin-2024-1027: WD - Res. RMTA Bond Issue - AATF

Enactment Number:

Contact:

Introduction Date:

Drafter:

Effective Date:

Related Files:

Approval History

Version	Seq #	Action Date	Approver	Action	Due Date
1	1	8/28/2024	Michael Nguyen	Approve	8/28/2024
1	2	8/29/2024	Sheila White	Escalated	8/28/2024
1	3	8/29/2024	Michael Nguyen	Approve	8/30/2024
1	4	8/29/2024	Sabrina Joy-Hogg	Approve	8/29/2024
1	5	8/29/2024	Lincoln Saunders	Approve	8/29/2024
1	6	8/30/2024	Mayor Stoney	Approve	8/29/2024

History of Legislative File

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:

Text of Legislative File Admin-2024-1027

O&R REQUEST

DATE: Friday, August 16, 2024

TO: The Honorable Members of City Council

THROUGH: The Honorable Levar M. Stoney, Mayor

THROUGH: J. E. Lincoln Saunders, Chief Administrative Officer

THROUGH: Sabrina Joy-Hogg, Deputy Chief Administrative Officer

THROUGH: Sheila White, Director of Finance

FROM: Michael Nguyen, Deputy Director of Finance

RE: Resolution of Support for Richmond Metropolitan Transit Authority (RMTA)
Bond Issuance

ORD. OR RES. No.

PURPOSE: To approve issuance of RMTA’s Expressway Revenue Bond, Series 2024 (“Series 2024 Bond”) as required by the Virginia Code

BACKGROUND: The Richmond Metropolitan Transportation Authority (“RMTA” or the “Authority”) issued \$43,875,000 in taxable bonds (the “2011-D Bonds”) in November 2011. Tax-exempt interest rates are currently at a level that RMTA has the opportunity to defease a portion of the 2011-D Bonds with available funds and issue “new money” bonds for its ongoing capital program, thereby achieving a significant financial benefit, effectively realized as debt service savings. Based on recent market rates, the transaction will result in total debt service savings of approximately \$1 million over the life of the transaction, or in excess of 9% on a present value savings basis. These savings equate to a reduction in annual debt service of approximately \$65,000. *Significantly, the RMTA’s financing will not extend its debt maturity past 2041.*

RMTA seeks participation in the fall pool bond sale of the Virginia Resources Authority (“VRA”). In order to meet VRA’s bond sale requirements, approvals by the RMTA Board, RMTA’s member jurisdictions, and the Mayor of the City of Richmond are required prior to October 13, 2024. The next potential sale after VRA’s fall 2024 transaction is not until spring 2025, which introduces significant interest rate risk.

City Council’s approval of the issuance of the RMTA’s Series 2024 Bond does not obligate the City. In 2014, when the General Assembly equalized RMTA’s governing body representation among the

member jurisdictions and re-named the Authority the “Richmond Metropolitan Transportation Authority,” the General Assembly also added a requirement to RMTA’s enabling legislation that RMTA’s debt issuances be approved by the governing bodies of its member jurisdictions and the Mayor of the City of Richmond. There is no exception for refunding/refinancing transactions. The 2014 amendment to the enabling legislation is codified in Virginia Code § 33.2--2902(16). The City Council approved similar resolutions in 2017 (2017-R048) and again in 2019 (2019-R020).

The City’s approval of RMTA’s issuance of the Series 2024 Bond does not constitute an endorsement to prospective purchasers of such obligation of the creditworthiness of RMTA. The City has no obligation to pay debt service on RMTA’s Series 2024 Bond or any other RMTA bond. Neither the faith or credit nor the taxing power of the City will be pledged to RMTA’s Series 2024 Bond. RMTA does not intend that issuance of the Series 2024 Bond will extend the maturity of its indebtedness past 2041, and the various jurisdictional approvals will set forth that restriction.

COMMUNITY ENGAGEMENT: N/A

STRATEGIC INITIATIVES AND OTHER GOVERNMENTAL: N/A

FISCAL IMPACT: None

DESIRED EFFECTIVE DATE: Upon Adoption

REQUESTED INTRODUCTION DATE: Monday, September 9, 2024 City Council Meeting

CITY COUNCIL PUBLIC HEARING DATE: Monday, September 23, 2024 City Council Meeting

REQUESTED AGENDA: Consent Agenda

RECOMMENDED COUNCIL COMMITTEE: Thursday, September 19, 2024 Finance and Economic Development Standing Committee Meeting

AFFECTED AGENCIES: RMTA

RELATIONSHIP TO EXISTING ORD. OR RES.: RES. 2019-R020

ATTACHMENTS: N/A

STAFF: Michael Nguyen, Deputy Director of Finance x6993