



City of Richmond

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Legislation Text

File #: RES. 2019-R020, **Version:** 1

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

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, 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

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 \$21,500,000 (the "RMTA Bond"), in order to provide funding for certain projects in the Authority's capital improvement plan for fiscal years 2020 through 2025 (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 July 15, 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 until June 30, 2020, unless extended by subsequent action of the Council.