



# Metropolitan Nashville and Davidson County, TN

## Legislation Details (With Text)

**File #:** RS2021-1147

**Type:** Resolution      **Status:** Passed

**File created:** 9/10/2021      **In control:** Metropolitan Council

**On agenda:** 9/21/2021      **Final action:** 9/21/2021

**Title:** Initial resolution authorizing and providing for the issuance and sale of water and sewer revenue bonds in an aggregate principal amount of not to exceed Five Hundred Million Dollars of The Metropolitan Government of Nashville and Davidson County.

**Sponsors:** Kyonzte Toombs

**Indexes:**

**Code sections:**

**Attachments:**

Date	Ver.	Action By	Action	Result
9/22/2021	1	Mayor	approved	
9/21/2021	1	Metropolitan Council	adopted	
9/20/2021	1	Budget and Finance Committee	approved	

Initial resolution authorizing and providing for the issuance and sale of water and sewer revenue bonds in an aggregate principal amount of not to exceed Five Hundred Million Dollars of The Metropolitan Government of Nashville and Davidson County.

WHEREAS, under the provisions of Title 9, Chapter 21, Tennessee Code Annotated, The Metropolitan Government of Nashville and Davidson County (the "Metropolitan Government") is authorized to issue and sell from time to time its water and sewer revenue bonds for the purpose of financing capital improvements to the Metropolitan Government's water and sewer systems (collectively, the "System"); and

Whereas, pursuant to Section 9-21-304, Tennessee Code Annotated, prior to the issuance of any water and sewer revenue bonds, the governing body of the local government proposing to issue said bonds shall adopt an initial resolution determining to issue the same; and

Whereas, for the purpose of complying with the requirements of said statute, the Metropolitan County Council of the Metropolitan Government adopts this Resolution.

Now, therefore be it resolved by the Metropolitan County Council of The Metropolitan Government of Nashville and Davidson County:

**Section 1. Purpose.** For the purpose of financing, in whole or in part, public works projects within the System, which shall include the (i) construction of extensions and improvements to the System; (ii) acquisition of all property, real and personal, appurtenant thereto or connected therewith; (iii) payment or reimbursement of the payment of principal of and interest on any bonds, notes or other debt obligations issued in anticipation of the Bonds and (iv) any other related costs permitted to be financed by Section 9-21-109, Tennessee Code Annotated, there are hereby authorized to be issued water and sewer revenue bonds (the "Bonds"), in one or more emissions, of the Metropolitan Government in the aggregate principal amount of not to exceed \$500,000,000.

**Section 2. Authorization.** The Bonds described herein shall be issued pursuant to the Local Government

Public Obligations Act of 1986, as amended, codified as Title 9, Chapter 21, Tennessee Code Annotated.

Section 3. Interest. The maximum rate of interest of the Bonds shall not exceed seven and one-quarter percent (7.25%) or the maximum rate permitted by applicable law.

Section 4. Source of Payment. The principal of, premium, if any, and interest on the Bonds shall be payable solely from and secured solely by a pledge of the income and revenues of the System.

Section 5. Publication of Resolution. The Metropolitan Clerk is hereby directed pursuant to Section 9-21-304, Tennessee Code Annotated, to cause this Resolution, upon its adoption, to be published in full once in a newspaper published and having general circulation in the Metropolitan Government.

Section 6. Effective Date. This Resolution shall take effect from and after its adoption, the welfare of The Metropolitan Government of Nashville and Davidson County requiring it.

#### Analysis

This is an initial resolution providing for the issuance of up to \$500 million in water and sewer revenue bonds. The maximum interest rate of these bonds cannot exceed 7.25% or the maximum rate permitted by applicable law. The purpose of water and sewer revenue bonds is for financing capital improvements to the Metropolitan Government's water and sewer system, and the principal, premium, and interest on the bonds are payable solely from and secured solely by a pledge of the income and revenues of this system. This initial resolution is required by T.C.A § 9-21-304 to be adopted prior to the issuance of revenue bonds. As required by state law, the clerk is directed to publish, once, the initial resolution in a newspaper of general circulation.