

CITY OF REDMOND, WASHINGTON

ORIGINAL

ORDINANCE NO. 1306

AN ORDINANCE of the City of Redmond, Washington, relating to Local Improvement District No. 82-ST-44; amending Ordinance No. 1132; authorizing the issuance and sale of local improvement district bond anticipation notes in Local Improvement District No. 82-ST-44 pending the receipt of the proceeds of the local improvement district bonds authorized to be issued by Ordinance No. 1132; and providing for the sale of such bond anticipation notes to Boettcher & Company, Seattle, Washington.

WHEREAS, by Ordinance No. 1132 passed by the City Council and approved by the Mayor on June 21, 1983, the City ordered the improvement of certain properties within the City by the construction and installation of street and utility improvements along a portion of 156th Avenue N.E., N.E. 40th Street and N.E. 51st Street, all pursuant to property owners' petition therefor, and, after a public hearing thereon, established Local Improvement District No. 82-ST-44, provided that payment for the improvement be made by special assessments upon the property in the District payable by the mode of "payment by bonds" and provided for the issuance and sale of local improvement district warrants or other short-term obligations pursuant to Chapter 216, Laws of 1982, redeemable by cash and/or by local improvement district bonds; and

WHEREAS, pursuant to Ordinance No. 1208, the City issued its \$8,000,000 par value of Local Improvement District No. 82-ST-44 Bond Anticipation Notes dated September 26, 1984, and maturing on September 13, 1985 (the "1984 Notes"), for the purpose of redeeming the City's outstanding Local Improvement District No. 82-ST-44 Bond Anticipation Notes (the "1983 Notes") dated October 10, 1983, issued for the purpose of paying a part of the cost of carrying out the improvements ordered in Local Improvement District No. 82-ST-44; and

WHEREAS, pursuant to Ordinance No. 1267, the City issued its \$8,000,000 par value of Local Improvement District No. 82-ST-44 Bond Anticipation Notes dated September 13, 1985, and maturing on April 10, 1986 (the "Outstanding Notes") for the purpose of paying a part of the cost of paying and redeeming the 1984 Notes; and

WHEREAS, the City Council deems it to be in the best interest of the City that the City borrow money and issue its short-term obligation or obligations in the form of one or more local improvement district bond anticipation notes for the purpose of providing the funds with which to pay a part of the cost of paying and redeeming the Outstanding Notes; and

WHEREAS, Boettcher & Company, Seattle, Washington, has submitted an offer to purchase such short-term bond anticipation notes on the terms and conditions hereinafter set forth; NOW THEREFORE,

THE CITY COUNCIL OF THE CITY OF REDMOND, WASHINGTON, DO ORDAIN as follows:

Section 1. Section 3 of Ordinance No. 1132 is amended to read as follows:

Section 3. The total estimated cost and expense of the improvement is declared to be \$9,035,544. The entire cost and expense of the improvement including all labor and materials required to make a complete improvement, all engineering, surveying, inspection, ascertaining ownership of the lots or parcels of land included in the assessment district, and all advertising, mailing and publication of notices, accounting, administrative, printing, legal, interest and other expenses incidental thereto, shall be borne by and assessed against the property specially benefited by such improvement included in the District embracing as nearly as practicable all property specially benefited by such improvement.

Section 2. For the purpose of paying the cost of paying and redeeming the Outstanding Notes, local improvement district bond anticipation notes of the District (the "Notes") shall be issued in the aggregate principal amount of \$8,995,000. The notes shall be numbered from 1 upward; shall be in the denomination of \$5,000 each or any integral multiple thereof; shall be dated April 8, 1986; shall mature on October 10, 1986; and shall bear interest at the rate of 6.375% per annum, payable at maturity, with full obligation on the part of the City to pay interest at the same rate from and after maturity until the Notes with interest are paid in full or until sufficient money for such payment in full is on deposit in the Local Improvement Fund, District No. 82-ST-44 (the "Note Fund") created by Ordinance No. 1132, as amended, and the Notes have been duly called for redemption by the City Treasurer-Comptroller's giving written notice to Boettcher & Company, Seattle, Washington, of such call at least ten days prior to the call date. The Notes shall not be subject to redemption prior to their maturity date, except that the Notes shall be subject to redemption at par plus accrued interest at any time under the circumstances set forth in Section 4 of this ordinance. Both principal of and interest on the Notes shall be payable solely out of the Note Fund from the proceeds of local improvement district bonds authorized to be issued by Ordinance No. 1132, as amended, or other short-term obligations, which the City covenants to use its best efforts to issue, to be deposited in such fund and/or prepaid special benefit assessments deposited in such fund, and from the Local Improvement Guaranty Fund of the City, and shall be payable in lawful money of the United States of America at either office of the fiscal agency of the State of Washington in Seattle, Washington, or New York, New York. The City Council declares

and finds that the fixing of the above interest rate is in the best interests of the City.

Section 3. The Notes shall be printed on lithographed or good bond paper or may be typewritten or multicopied form in a form consistent with this ordinance and state law. The Notes shall be signed by the facsimile or manual signature of the Mayor and the manual signature of the City Clerk and shall have a facsimile reproduction of the seal of the City printed thereon or the seal of the City impressed thereon.

Section 4. The City covenants that it will not take or permit to be taken on its behalf any action which would adversely affect the exemption from federal income taxation of the interest on the Bonds and will take or require to be taken such acts as may reasonably be within its ability and as may from time to time be required under applicable law to continue the exemption from federal income taxation of the interest on the Bonds. Without limiting the generality of the foregoing, and except to the extent the investment of any bond proceeds is limited to a yield required to comply with federal arbitrage regulations, the City will spend the proceeds of the Bonds with due diligence to completion of the purpose specified herein and will not invest or make other use of the proceeds of the Bonds or of its other money at any time during the term of the Bonds, which if such use had been reasonably expected at the date that the Bonds are issued, would have caused such Bonds to be arbitrage bonds within the meaning of Section 103(c) of the United States Internal Revenue Code of 1954, as amended, and applicable regulations thereunder.

In addition, if future federal laws or regulations require the payment of any federal tax or rebate or the observing of any other requirement to maintain the exemption from federal income taxation of the interest on the Notes, the City shall make any

such payment and observe any such requirement. If the interest on the Notes shall become subject to federal taxation because of the City's not spending Note proceeds or the proceeds of the investments thereof in the amounts and within periods of time required by any future federal law or regulations or for any other reason due to the enactment of future federal law or the promulgation of regulations thereunder, or if the City's bond counsel gives an opinion to the City at that time that the interest on the Notes may or will be taxable either from the date of issuance or as of some later date, then the City shall call for redemption at par plus accrued interest all of the Notes then outstanding within 75 days after the date that law becomes law.

The City further covenants that it has not been notified of any listing or proposed listing by the Internal Revenue Service to the effect that it is a bond issuer whose arbitrage certifications may not be relied upon.

Section 5. The City designates the Bonds as "qualified tax-exempt obligations" which may be acquired by a financial institution under Section 802 of H.R. 3838 or under any similar provision of any future federal law.

Section 6. Boettcher & Company, Seattle, Washington, has submitted an offer to purchase the Notes at the price set forth in the purchase offer, the City to furnish the printed, type-written or multicopied Notes and the approving legal opinion of Roberts & Shefelman, municipal bond counsel of Seattle, Washington, at the City's expense. Bond counsel shall not be required to review or express any opinion concerning the completeness or accuracy of any official statement, offering circular or other sales material issued or used in connection with the Notes, and bond counsel's opinion shall so state. Bond counsel has not been retained to monitor, and shall not be

responsible for monitoring, the City's compliance with any federal law or regulations to maintain the tax-exempt status of interest on the Bonds. The City Council, deeming that it is in the best interest of the City that such offer be accepted, accepts the same. The Notes, therefore, shall be delivered to Boettcher & Company, Seattle, Washington, immediately upon their execution upon payment therefor in accordance with such offer.

Approximately \$8,310,500 of the principal proceeds received from the sale of the Notes shall be paid into the Local Improvement Fund, District No. 82-ST-44, and used to pay the cost of paying and redeeming the Outstanding Notes and the balance shall be paid into the General Fund of the City as reimbursement for money expended from such fund to pay interest due on previously redeemed Local Improvement District No. 82-ST-44 Notes.


Section 7. This ordinance shall take effect from and after its passage and five days following its publication or posting as required by law.

PASSED by the City Council and APPROVED by the Mayor of the City of Redmond, Washington, at a regular open public meeting thereof, this 18th day of March, 1986.

CITY OF REDMOND, WASHINGTON


MAYOR, DOREEN MARCHIONE

ATTEST/AUTHENTICATED:


CITY CLERK, DORIS A. SCHAIBLE

APPROVED AS TO FORM:

OFFICE OF THE CITY ATTORNEY

BY *Jay C. Martin*

FILED WITH THE CITY CLERK:	March 13, 1986
PASSED BY THE CITY COUNCIL:	March 18, 1986
SIGNED BY THE MAYOR:	March 19, 1986
POSTED:	
PUBLISHED:	March 23, 1986
EFFECTIVE DATE:	March 28, 1986

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