

CITY OF REDMOND, WASHINGTON

ORIGINAL

ORDINANCE NO. 1317

AN ORDINANCE of the City of Redmond, Washington, relating to contracting indebtedness; providing for the issuance, specifying the maturities, maximum effective interest rate, terms and covenants of \$19,788,000 par value of Unlimited Tax General Obligation Bonds, 1986, authorized by the qualified voters of the City at a special election held therein pursuant to Ordinance No. 1292; establishing a bond redemption fund and construction funds; and providing for the sale and delivery of such bonds to Boettcher & Company, Inc., of Seattle, Washington.

WHEREAS, the City of Redmond, Washington (the "City") pursuant to Ordinance No. 1292, provided for the submission to the voters of the City at a special election to be held therein on February 4, 1986, the questions of whether the City should construct and equip a police building to provide adequate space for police operations at an estimated cost of \$8,728,000, construct a building and related improvements designed primarily to meet the recreational and other needs of senior citizens at an estimated cost of \$3,117,000 and design and construct and acquire right-of-way for critical street improvements at an estimated cost of \$7,943,000, and such propositions were approved by the requisite number of voters voting at such special election; NOW, THEREFORE,

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

Section 1. The City shall presently issue and sell the total \$19,788,000 par value of negotiable general obligation bonds authorized by the qualified voters of the City at a special election held on February 4, 1986, pursuant to Ordinance No. 1292, as a single combined issue for the purpose of

constructing and equipping a police building, constructing a building and related improvements designed primarily to meet the recreational and other needs of senior citizens and designing, constructing and acquiring right-of-way for critical street improvements. The bonds shall be designated Unlimited Tax General Obligation Bonds, 1986 (the "Bonds"), of the City; shall be dated June 1, 1986; shall be in the denomination of \$5,000 each or any integral multiple thereof within a single maturity except that one bond maturing in the year 1988 shall be in the denomination of \$3,000 or \$5,000 or any integral multiple thereof plus \$3,000; shall be numbered separately in the manner and with any additional designation as the Bond Registrar (collectively, the fiscal agencies of the State of Washington located in Seattle, Washington, and New York, New York) deems necessary for purposes of identification; shall bear interest at the rates set forth below, computed on the basis of a 360-day year of twelve 30-day months, payable on December 1, 1986, and semiannually thereafter on each succeeding June 1 and December 1. The Bonds shall bear interest at the rates and mature on December 1 in the years and amounts as follows:

<u>Maturity Years</u>	<u>Amounts</u>	<u>Interest Rates</u>
1988	\$ 613,000	5.20%
1989	650,000	5.50
1990	685,000	5.80
1991	725,000	6.00
1992	770,000	6.20
1993	815,000	6.40
1994	870,000	6.60
1995	925,000	6.80
1996	990,000	7.00
1997	1,060,000	7.10
1998	1,130,000	7.20
1999	1,210,000	7.30
2000	1,300,000	7.40
2001	1,390,000	7.40
2002	1,490,000	7.45
2003	1,600,000	7.45

<u>Maturity Years</u>	<u>Amounts</u>	<u>Interest Rates</u>
2004	1,720,000	7.50
2005	1,845,000	7.50

If any Bond is not redeemed upon proper presentment at its maturity or call date, the City shall be obligated to pay interest at the same rate for each such Bond from and after its maturity or call date until such Bond, both principal and interest, is paid in full or until sufficient money for such payment in full is on deposit in the bond redemption fund hereinafter created and such Bond has been called for payment.

Upon surrender thereof to the Bond Registrar, Bonds may be exchanged for Bonds in any authorized denomination of an equal aggregate principal amount and of the same interest rate and maturity. Bonds may be transferred only if endorsed in the manner provided thereon and surrendered to the Bond Registrar. Such exchange or transfer shall be without cost to the owner or transferee. The Bond Registrar shall not be required to transfer or exchange any Bond during the fifteen days preceding any principal payment or redemption date.

The Bonds shall be issued only in registered form as to both principal and interest and recorded in the books and records maintained by the Bond Registrar (the "Bond Register"). The Bond Register shall contain the name and mailing address of the owner of each Bond and the principal amount and number of Bonds held by each owner.

Both principal of and interest on the Bonds shall be payable in lawful money of the United States of America. Interest on the Bonds shall be paid by check or draft mailed to the registered owners at the addresses appearing on the Bond Register on the fifteenth day of the month preceding the interest payment date or, when requested in writing by a registered

owner and approved by the City Finance Director, shall be paid on the interest payment date by wire transfer to the account identified by the requesting registered owner whose name, address and wire transfer account number appear on the Bond Register fifteen days preceding the interest payment date. Principal of the Bonds shall be payable upon presentation and surrender of the Bonds by the registered owners at either office of the Bond Registrar at the option of such owners.

Bonds maturing in the years 1988 through 1995, inclusive, shall be issued without the right or option of the City to redeem the same prior to their stated maturity dates. The City reserves the right and option to redeem the Bonds maturing on or after December 1, 1996, in whole, or in part in inverse order of maturity (and by lot within a maturity in such manner as the Bond Registrar shall determine), on December 1, 1995, and on any interest payment date thereafter, at par plus accrued interest to the date of redemption. Portions of the principal amount of any Bond, in installments of \$5,000 or any integral multiple of \$5,000, may be redeemed. If less than all of the principal amount of any Bond is redeemed, upon surrender of such Bond at the principal office of the Bond Registrar, there shall be issued to the registered owner, without charge therefor, a new Bond or Bonds, at the option of the registered owner, of like maturity and interest rate in any of the denominations authorized by this ordinance.

Notice of any such intended redemption shall be given not less than 30 nor more than 60 days prior to the date fixed for redemption by first-class mail, postage prepaid, to the registered owner of any Bond to be redeemed at the address appearing on the Bond Register. The requirements of this section shall be deemed to be complied with when notice is mailed as herein

provided, whether or not it is actually received by the owner of any Bond. The interest on the Bonds so called for redemption shall cease on the date fixed for redemption unless such Bond or Bonds so called are not redeemed upon presentation made pursuant to such call. In addition, such redemption notice shall be mailed within the same period, postage prepaid, to Moody's Investors Service, Inc., and Standard & Poor's Corporation at their offices in New York, New York, or their successors, but such mailing shall not be a condition precedent to the redemption of such Bonds.

The City further reserves the right to purchase any or all of the Bonds in the open market at any time at a price not in excess of par plus accrued interest to the date of such purchase.

Section 2. The City irrevocably pledges to levy taxes annually without limitation as to rate or amount on all of the property in the City subject to taxation in an amount sufficient, together with other money legally available and to be used therefor, to pay the principal of and interest on the Bonds as the same shall become due, and the full faith, credit and resources of the City are pledged irrevocably for the annual levy and collection of those taxes and the prompt payment of that principal and interest.

Section 3. The Bonds shall be printed or lithographed on good bond paper in a form consistent with the provisions of this ordinance and state law, shall be signed by the Mayor and City Clerk, both of whose signatures shall be in facsimile, and a facsimile reproduction of the seal of the City shall be printed thereon.

Only such Bonds as shall bear thereon a Certificate of Authentication in the following form, manually executed by the

Bond Registrar, shall be valid or obligatory for any purpose or entitled to the benefits of this ordinance:

CERTIFICATE OF AUTHENTICATION

This bond is one of the fully registered City of Redmond, Washington, Unlimited Tax General Obligation Bonds, 1986, described in the Bond Ordinance.

WASHINGTON STATE FISCAL AGENCY
Bond Registrar

By _____
Authorized Officer

Such Certificate of Authentication shall be conclusive evidence that the Bonds so authenticated have been duly executed, authenticated and delivered hereunder and are entitled to the benefits of this ordinance.

In case either or both of the officers who shall have executed the Bonds shall cease to be such officer or officers of the City before the Bonds so signed shall have been authenticated or delivered by the Bond Registrar or issued by the City, such Bonds nevertheless may be authenticated, delivered and issued and upon such authentication, delivery and issue, shall be as binding upon the City as though those whose facsimile signatures appear on the Bonds had continued to be such officers of the City. Any Bond also may be signed on behalf of the City by such persons as at the actual date of execution of such Bond shall be proper officers of the City authorized to execute Bonds although on the original date of such Bond such persons were not such officers of the City.

Section 4. The Bond Registrar shall keep, or cause to be kept, at its principal corporate trust office, sufficient books for the registration and transfer of the Bonds which shall at all times be open to inspection by the City.

The Bond Registrar shall be responsible for its representations contained in the Bond Registrar's Certificate of

Authentication on the Bonds. The Bond Registrar may become the owner of Bonds with the same rights it would have if it were not the Bond Registrar and, to the extent permitted by law, may act as depository for and permit any of its officers or directors to act as members of, or in any other capacity with respect to, any committee formed to protect the rights of Bond owners.

Section 5. The Bonds shall be negotiable instruments to the extent provided by RCW 62A.8-102 and 62A.8-105.

Section 6. 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, the City covenants that 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

Bonds, the City shall make any such payment and observe any such requirement to the extent permitted by law. For the purpose of this paragraph, the imposition of any future federal law of any alternative minimum tax on the interest on the Bonds shall not be deemed to be an event requiring the City to observe any such requirement.

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 7. There is created and established in the office of the City Finance Director a special fund to be known and designated as the Unlimited Tax General Obligation Bond Fund, 1986 (the "Bond Fund"). The accrued interest received, if any, upon the sale and delivery of the Bonds shall be paid into the Bond Fund. The following special funds of the City also are created and established in the office of the City Finance Director: the Police Building Construction Fund, the Senior Citizens Building Construction Fund, and the Street Improvements Construction Fund (collectively, the "Construction Funds"). The principal proceeds received from the sale and delivery of the Bonds shall be deposited as follows: \$8,728,000 into the Police Building Construction Fund to be used to pay a part of the cost of constructing and equipping a police building and the costs of issuance and sale of the Bonds attributable to such project; \$3,117,000 into the Senior Citizens Building Construction Fund to be used to pay a part of the cost of constructing a building and related improvements designed primarily to meet the recreational and other needs of senior citizens and the costs of issuance and sale of the Bonds attributable to such project; and \$7,943,000 into the Street Improvements Construction Fund to be

used to pay a part of the cost of designing, constructing and acquiring right-of-way for critical street improvements and the costs of issuance and sale of the Bonds attributable to such project. Pending the expenditure of such principal proceeds, the City may temporarily invest such proceeds in any legal investment and the investment earnings may be retained in the Construction Funds and expended for the purposes of such funds. All taxes collected for and allocated to the payment of the principal of and interest on the Bonds shall hereafter be deposited in the Bond Fund.

Section 8. In the event that money and/or "Government Obligations," as such obligations are defined in Chapter 39.53 RCW, as now or hereafter amended, maturing at such time or times and bearing interest to be earned thereon in amounts (together with such money, if necessary) sufficient to redeem and retire the Bonds in accordance with their terms, are set aside in a special fund to effect such redemption and retirement and are pledged irrevocably for such purpose, then no further payments need be made into the Bond Fund and the Bonds shall cease to be entitled to any lien, benefit or security of this ordinance except the right to receive the money so set aside and pledged, and the Bonds shall be deemed not to be outstanding hereunder. Subject to the rights of the owners of Bonds, the City may then apply any money in any other fund or account established for the payment or redemption of the defeased Bonds to any lawful purposes as it shall determine.

Section 9. Pending the printing, execution and delivery to the purchaser of the definitive Bonds, the City may cause to be executed and delivered to such purchaser a single temporary Bond in the principal amount of \$19,788,000. Such temporary Bond shall bear the same date of issuance, interest rates, principal

payment dates, options of redemption, terms and covenants as the definitive Bonds, and shall be issued as a fully registered Bond in the name of such purchaser, and shall be in such form as is acceptable to such purchaser. Such temporary Bond shall be exchanged for the definitive Bonds as soon as the same are printed, authenticated and available for delivery. If the definitive Bonds are not ready for exchange and delivery within 45 days from the date of delivery of the temporary Bond, such temporary Bond shall be immediately retired at the original purchase price thereof plus accrued interest.

Section 10. Boettcher & Company, Inc., of Seattle, Washington, has submitted an offer to purchase the Bonds at the price set forth in its offer on file with the City, plus accrued interest to the date of delivery of the Bonds, the City to furnish at its expense the printed Bonds and the unqualified approving legal opinion of Roberts & Shefelman, municipal bond counsel of Seattle, Washington. Bond counsel shall not be required to review and shall express no opinion concerning the completeness or accuracy of any official statement, offering circular or other sales material issued or used in connection with the Bonds, and bond counsel's opinion shall so state. The City Council, deeming that it is in the best interests of the City that such offer be accepted, accepts the same. The proper officers of the District are authorized and directed to do everything necessary for the prompt delivery of the Bonds to the purchaser upon payment therefor in accordance with its offer.

Section 11. This ordinance shall take effect and be in force from and after its passage and five (5) days following its publication 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 6th day of May, 1986.

Doreen Marchione
MAYOR, DOREEN MARCHIONE

ATTEST/AUTHENTICATED:

Doris A. Schaible
CITY CLERK, DORIS A. SCHAIBLE
APPROVED AS TO FORM:

OFFICE OF THE CITY ATTORNEY

By Jay C. Martin

FILED WITH THE CITY CLERK:	May 1, 1986
PASSED BY THE CITY COUNCIL:	May 6, 1986
SIGNED BY THE MAYOR:	May 7, 1986
POSTED:	---
PUBLISHED:	May 11, 1986
EFFECTIVE DATE:	May 16, 1986

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