

CITY OF REDMOND, WASHINGTON

ORDINANCE NO. 1327

ORIGINAL

AN ORDINANCE relating to local improvement districts; establishing Consolidated Local Improvement District No. 2 and Consolidated Local Improvement Fund, District No. 2; fixing the amount, form, date, interest rates, maturity and denominations of the Consolidated Local Improvement District No. 2 Bonds; providing for the sale and delivery thereof to Boettcher & Company Inc. in Seattle, Washington; and fixing the interest rate on local improvement district assessment installments.

WHEREAS, the City Council of the City of Redmond, Washington (the "City"), heretofore has created Local Improvement District No. 82-ST-44 pursuant to Ordinance No. 1132, as amended by Ordinances Nos. 1297, 1306, 1308 and 1309, Local Improvement District No. 83-ST-46 pursuant to Ordinance No. 1130, and Local Improvement District No. 84-ST-47 pursuant to Ordinance No. 1189; and

WHEREAS, RCW 35.45.160 authorizes the establishment of consolidated local improvement districts for the purpose of issuing bonds only and provides that if the governing body of any municipality orders the creation of such consolidated local improvement district, the money received from the installment payment of the principal of and interest on assessments levied within the original local improvement districts shall be deposited in a consolidated local improvement district bond redemption fund to be used to redeem outstanding consolidated local improvement district bonds; NOW, THEREFORE,

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

Section 1. For the purpose of issuing bonds only, those local improvement districts of the City of Redmond, Washington (the "City"), established by the following ordinances, respectively, the 30-day period for making cash payment of assessments

without interest in each local improvement district having expired in the case of the assessments for each local improvement district, are consolidated into a consolidated local improvement district to be known and designated as Consolidated Local Improvement District No. 2:

<u>Local Improvement District No.</u>	<u>Created by Ordinance No.</u>
82-ST-44	1132, as amended
83-ST-46	1130
84-ST-47	1189

Section 2. There is created and established in the office of the City Finance Director for Consolidated Local Improvement District No. 2 a special consolidated local improvement district fund to be known and designated as Consolidated Local Improvement Fund, District No. 2 (the "Bond Fund"). All money presently on hand representing collections pertaining to installments of assessments and interest thereon in each of the local improvement districts listed in Section 1 shall be transferred to and deposited in the Bond Fund, and all collections pertaining to assessments on the assessment rolls of those local improvement districts when hereafter received shall be deposited in the Bond Fund to redeem outstanding Consolidated Local Improvement District No. 2 bonds.

Section 3. Consolidated Local Improvement District No. 2 bonds (the "Bonds") shall be issued in the total principal amount of \$12,127,908.04, being the total amount on the assessment rolls of Local Improvement Districts Nos. 82-ST-44, 83-ST-46 and 84-ST-47 remaining uncollected after the expiration of the 30-day interest-free prepayment period. The Bonds shall be dated July 1, 1986, shall bear interest at the rates set forth below, payable annually beginning July 1, 1987, shall be in the denomination of \$5,000 or any integral multiple thereof

within a single maturity, except that one bond maturing in the year 1987 shall be in the denomination of \$2,908.04 or any integral multiple of \$5,000 plus \$2,908.04. The Bonds 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 the purpose of identification. The Bonds shall bear interest at the rates and shall mature on July 1 in years and amounts as follows:

<u>Maturity Years</u>	<u>Amounts</u>	<u>Interest Rates</u>
1987	\$ 627,908.04	5.00%
1988	925,000.00	5.75
1989	925,000.00	6.25
1990	925,000.00	6.75
1991	625,000.00	7.00
1992	625,000.00	7.20
1993	625,000.00	7.40
1994	625,000.00	7.60
1995	625,000.00	7.80
1996	625,000.00	8.00
**	**	**
1998	4,975,000.00	8.25

In addition to the interest rates set forth above, the Bonds shall bear interest at the rate of 1.60% per annum from July 1, 1986, to July 1, 1987, which additional interest shall be evidenced by a single B Coupon registered to Boettcher & Company Inc. of Seattle, Washington, which B Coupon shall be detached from such Bonds upon their original delivery and delivered to Boettcher & Company Inc. as compensation to it for its services underwriting and structuring the Bonds.

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 and such Bond has been called for payment.

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

Upon surrender thereof to the Bond Registrar, the 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. The transfer of a Bond shall be by the Bond Registrar's receiving the Bond to be transferred, cancelling it and issuing a new certificate in the form of the Bonds to the transferee after registering the name and address of the transferee on the Bond Register. Such exchange or transfer shall be without cost to the owner or transferee. The Bond Registrar shall not be required to make any such transfer or exchange during the fifteen days preceding any principal payment or redemption date. The B Coupon shall not be transferrable.

Both principal of and interest on the Bonds and interest on the B Coupon shall be payable solely out of the Bond Fund and from the Local Improvement Guaranty Fund of the City, and 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 15th day of the month preceding the interest payment date. The principal of the Bonds shall be payable upon presentation and surrender of the Bonds by the registered owners at the principal offices of either of the fiscal agencies of the State of Washington in Seattle, Washington, and New York, New York, at the option of such owners. The B Coupon shall be

payable on July 1, 1987, upon presentation and surrender of the B Coupon by the registered owner at either office of the Bond Registrar in Seattle, Washington, or New York, New York, at the option of such owner.

Bonds maturing in the years 1987 through 1996, inclusive, shall be issued without the right or option to redeem the same prior to their stated maturity dates. The City reserves the right and option to redeem Bonds maturing on July 1, 1998, as a whole, or in part by lot in such manner as the Bond Registrar shall determine, on July 1, 1987, and on any interest payment date thereafter, at par plus accrued interest to the date of redemption, only from assessment payments collected until July 1, 1991, whenever there shall be sufficient money in the Bond Fund to pay the Bonds so called over and above the amount required for the payment of the principal of and interest due on all Bonds maturing on such date and interest due on all unpaid Bonds. On or after July 1, 1991, Bonds maturing on July 1, 1998, may be redeemed in like manner on any interest payment date from funds from any source, including the proceeds of refunding or advance refunding bonds. 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 15 nor more than 30 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.

The City further reserves the right and option 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 4. The Bonds shall be printed, lithographed or typed on good bond paper in a form consistent with the provisions of this ordinance and state law, shall be signed by the Mayor and the City Clerk, both of whose signatures shall be in facsimile, and shall have a facsimile reproduction of the seal of the City printed thereon. The B Coupon shall be in typewritten form and shall be signed by the Mayor and City Clerk and shall have the seal of the City impressed 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, Consolidated Local Improvement District No. 2 Bonds described in the Bond Ordinance.

Washington State Fiscal Agency
Bond Registrar

By _____
Authorized Officer

Only such B Coupon 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 B Coupon is the fully registered B Coupon of the City of Redmond, Washington, Consolidated Local Improvement District No. 2 Bonds described in the Bond Ordinance.

Washington State Fiscal Agency
Bond Registrar

By _____
Authorized Officer

Such Certificates of Authentication shall be conclusive evidence that the Bonds and B Coupon 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 and B Coupon shall cease to be such officer or officers of the City before the Bonds and B Coupon so signed shall have been authenticated or delivered by the Bond Registrar, or issued by the City, such Bonds and B Coupon nevertheless may be authenticated, delivered and issued and upon such authentication, delivery and issuance, shall be as binding upon the City as though those who signed the same had continued to be such officers of the City. Any Bond or B Coupon also may be signed on behalf of the City by such persons as at the actual date of execution of such Bond or B Coupon shall be proper officers of the City although at the original date of such Bond or B Coupon any such persons shall not have been such officers of the City.

Section 5. The Bond Registrar shall keep, or cause to be kept, at its principal corporate trust office, sufficient books for the registration of the Bonds and B Coupon and transfer of the Bonds, which shall at all times be open to inspection by the City. The Bond Registrar is authorized, on behalf of the City,

to authenticate and deliver Bonds transferred or exchanged in accordance with the provisions of such Bonds and this ordinance and to carry out all of the Bond Registrar's powers and duties under this ordinance and Ordinance No. 1137 of the City.

The Bond Registrar shall be responsible for its representations contained in the Registrar's Certificate of Authentication on the Bonds and B Coupon. 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 or B Coupon owners.

Section 6. The Bonds shall be negotiable instruments to the extent provided by RCW 62A.8-102 and 62A.8-105.

Section 7. 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 by the City or the observing by the City 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.

The City 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 8. In the event that money and/or "government obligations," as 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 pay and retire the Bonds in accordance with their terms, are set aside in or for the account of the Bond Fund for the Bonds to effect such payment and retirement, and such money and the principal of and interest on such government obligations are set aside in a special fund and pledged irrevocably for such purpose, then no further payments need to be made into the Bond Fund for the payment of the principal of and interest on the Bonds, and the Bonds shall cease to be entitled to any lien, claim, benefit or security of this ordinance or of the Local Improvement Guaranty Fund except the right to receive the money so set aside and pledged, and thereafter the Bonds shall be deemed not to be outstanding hereunder.

Section 9. Boettcher & Company Inc. in Seattle, Washington, has submitted an offer to purchase all of the Bonds at the price set forth in such offer, the City to furnish the

printed Bonds and typewritten B Coupon 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 Bonds or B Coupon, and bond counsel's opinion shall so state. The City Council, deeming that it is in the best interest of the City that such offer be accepted, accepts the same. The Bonds and B Coupon, therefore, immediately upon their authentication, shall be delivered to Boettcher & Company Inc. in Seattle, Washington, upon payment therefor in accordance with such offer.

The proper City officials are authorized and directed to do everything necessary for the prompt delivery of the Bonds and B Coupon to the purchaser and for the proper application and use of the proceeds of the sale thereof.

Section 10. 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 total principal amount of the Bonds. 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 11. The interest rate on the installments and delinquent payments of the special assessments in Local Improvement Districts Nos. 82-ST-44, 83-ST-46 and 84-ST-47 are revised and fixed at the rate of 8.67% per annum.

PASSED by the City Council and APPROVED by the Mayor of the City of Redmond, Washington, at a regular open public meeting thereof this 1st day of July, 1986.

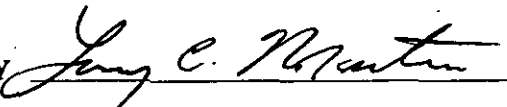

Mayor

ATTEST/AUTHENTICATED:


CITY CLERK, DORIS A. SCHAIBLE

APPROVED AS TO FORM:

OFFICE OF THE CITY ATTORNEY

By 

FILED WITH THE CITY CLERK:	June 26, 1986
PASSED BY THE CITY COUNCIL:	July 1, 1986
SIGNED BY THE MAYOR:	July 2, 1986

PUBLISHED:	July 6, 1986
EFFECTIVE DATE:	July 11, 1986

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