

ORIGINAL

CITY OF REDMOND, WASHINGTON
ORDINANCE NO. 1344

AN ORDINANCE of the City of Redmond, Washington, relating to contracting indebtedness; authorizing the issuance of up to \$6,000,000 in aggregate principal amount of limited tax general obligation bonds; authorizing the issuance, specifying the maturity, interest rate, terms and covenants of \$4,000,000 in aggregate principal amount of limited tax general obligation bond anticipation notes; establishing a note fund and acquisition fund; and providing for the sale and delivery of such bond anticipation notes to Boettcher & Company Inc., Seattle, Washington.

WHEREAS, pursuant to Ordinance No. 1292, the City provided for the submission to the voters of City at a special election held on February 4, 1986, the questions of whether the City should construct and equip a police building and a senior citizens center, and design, construct and acquire rights of way for critical street improvement, and such propositions were approved by the requisite number of voters voting at such special election; and

WHEREAS, pursuant to Ordinance 1317, the City has heretofore issued and sold \$19,788,000 in aggregate principal amount of its Unlimited Tax General Obligation Bonds, 1986, to provide funds to accomplish such projects; and

WHEREAS, the City now deems it to be in the best interests of the City to acquire real property within the City upon which to construct and equip the police building and senior citizens center; and

WHEREAS, the City Council deems it to be in the best interests of the City that the City borrow money and issue up to \$6,000,000 in aggregate principal amount of its limited tax general obligation Bonds for the purpose of providing funds necessary to pay the costs of accomplishing the CIP Phase I land acquisition project and, pending the issuance of such bonds, that the City issue up to \$4,000,000 in aggregate principal amount of limited tax general obligation bond anticipation Notes for such purpose; and

WHEREAS, the issuance of the Bonds and Notes will not require prior submission to and approval by the voters of the City and the Bonds and Notes when issued, will not violate any constitutional or statutory debt limitations applicable to the City; and

WHEREAS, Boettcher & Company Inc., Seattle, Washington, has submitted an offer to purchase such 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. Bonds Authorized. For the purpose of providing funds necessary to pay the costs of acquiring real property within the City for the purposes of constructing and equipping a new police building and senior citizens center thereon, and the incidental costs and the costs related to the sale and issuance of the Bonds and the Notes hereinafter described (collectively, the "CIP Phase I Land Acquisition Project"), the City authorizes the issuance of limited tax general obligation bonds of the City in an aggregate principal amount of not to exceed \$6,000,000 or so much thereof as may be required. Such bonds shall be designated "City of Redmond Limited Tax General Obligation Bonds (the "Bonds"). The Bonds shall be issued within the City's nonvoted debt capacity. The Bonds shall bear such date or dates; shall be payable at such time or times; shall bear such terms; shall be issued in such denominations; shall be subject to other conditions and covenants; shall be in such form; shall bear interest at such fixed rate or rates; shall bear such redemption and registration privileges; and shall be sold in such manner, at such time or times, in such amounts and at such price as the City Council shall hereafter determine by ordinance. This authorization to the issue the Bonds shall expire and be null and void on and after October 21, 1991,

but only if the Bonds have not been issued prior to that date; if the Bonds have been issued prior to October 21, 1991, this authorization shall be in full force and effect until the Bonds are no longer outstanding.

Section 2. Notes Authorized and Issued. Pending the issuance of any of the Bonds authorized to be issued pursuant to Section 1 hereof, the City authorizes the issuance of limited tax general obligation bond anticipation notes of the City in the aggregate principal amount of \$4,000,000 for the purpose of paying the costs of the CIP Phase I Land Acquisition Project. Such notes shall be designated "City of Redmond Limited Tax General Obligation Bond Anticipation Notes, 1986 (the "Notes"). The Notes shall be issued within the City's nonvoted debt capacity. The Notes shall be issued in form payable to bearer, but may be registered as to both principal and interest at either of the principal offices of the fiscal agencies of the State of Washington in Seattle, Washington, or New York, New York (collectively, the "Fiscal Agencies"), at the option of the holder; shall be numbered from one upward; shall be in the denomination of \$5,000 each or any integral multiple thereof; shall be dated November 18, 1986; shall mature on November 17, 1987; and shall bear interest at the rate of 5.3 percent 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, together with all interest due thereon, are paid in full. The City Council declares and finds that the fixing of the above interest rate on the Notes is in the best interests of the City.

The Notes shall not be subject to redemption prior to their stated maturity date.

Both the principal of and the interest on the Notes shall be payable, in lawful money of the United States of America, upon presentation and surrender of the Notes by the Holders thereof at either of the principal offices of the Fiscal Agencies.

The Notes shall be sold as provided in Section 9 of this ordinance.

Section 3. Pledge of Full Faith, Credit and Resources. The Notes shall be repaid out of the proceeds of the Bonds, any additional short-term obligations authorized to be issued by the City for such purpose, or from any money otherwise legally available therefor. 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 and the Notes 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 4. Form of Notes. The Notes shall be printed or lithographed on good bond paper or may be typewritten or multicopied 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 production of the seal of the City printed thereon or the seal of the City impressed thereon.

Section 5. No Arbitrage. The City covenants that it will neither make nor permit any use of the proceeds of the Notes or other funds of the City at any time during the term of the Notes which cause the Notes to be "arbitrage bonds" within the meaning of

the Internal Revenue Code of 1986, as amended, and any applicable rulings or regulations promulgated thereunder (collectively, the "Code"). Further, the City covenants that if all the proceeds of the Notes have not been spent within six months from the date of issuance of the Notes, the City shall calculate or cause to be calculated, and shall rebate to the United States, all earnings from the investment of Note proceeds that are in excess of the amount that would have been earned had the yield on such investments been equal to the yield on the Notes, plus income derived from such excess earnings, to the extent and in the manner required by Section 148 of the Code.

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

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

Section 7. Disposition of Note Proceeds; Note Fund: Repayment Account; Acquisition Fund. There is hereby created and established in the office of the City Finance Director a special fund to be designated the CIP Phase I Land Acquisition and Note Repayment Fund, which shall be divided into two accounts: The Note Repayment Account (the "Repayment Account") and the Land Acquisition Account (the "Acquisition Account"). The accrued interest received, if any, upon the sale and delivery of the Notes and all taxes collected for and allocated to the payment of the Notes shall hereafter be deposited in the Repayment Account to be used, together with any other money legally available and designated therefor, to pay the principal of and interest on the Notes, when due.

The principal proceeds received from the sale and delivery of the Notes shall be deposited into the Acquisition Account to be used, together with any other money legally available and designated therefor, to pay the costs of accomplishing the CIP Phase I Land Acquisition 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 Acquisition Account and expended for the purposes of such fund. Subject to the provisions and limitations generally described in Section 5 of this ordinance, any money remaining in the Acquisition Account following completion of the CIP Phase I Land Acquisition Project shall be transferred, first to the Repayment Account, to the extent necessary to repay or defease any outstanding principal and interest on the Notes, and any money in excess of the amounts necessary for that purpose may be used by the City for any other municipal purpose.

Section 8. Defeasance. 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 repay and retire the Notes 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 Repayment Account and the Notes 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 Notes shall be deemed not to be outstanding hereunder. Subject to the rights of the holders of the Notes, the City may then apply any money in any other fund or account established for the payment or

redemption of the defeased Notes to any lawful purposes as it shall determine.

Section 9. Sale of Notes. Boettcher & Company Inc., Seattle, Washington, has submitted an offer to purchase the Notes at the price set forth in its offer on file with the City, plus accrued interest to the date of delivery of the Notes, the City to furnish at its expense the printed, typewritten or multicopied Notes and the unqualified approving legal opinion of Riddell, Williams, Bullitt & Walkinshaw, 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 Notes, 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 City are authorized and directed to do everything necessary for the prompt delivery of the Notes to the purchaser upon payment therefor in accordance with its offer.

Section 10. Immediate Effect. This ordinance shall take effect and be in force from and after its passage and five 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 21st day of October, 1986.



MAYOR, DOREEN MARCHIONE

ATTEST/AUTHENTICATED:



CITY CLERK, DORIS A. SCHAIBLE

APPROVED AS TO FORM:

OFFICE OF THE CITY ATTORNEY

By *Henry C. P. [Signature]*

FILED WITH THE CITY CLERK:	October 16, 1986
PASSED BY THE CITY COUNCIL:	October 21, 1986
SIGNED BY THE MAYOR:	October 21, 1986
POSTED:	--
PUBLISHED:	October 26, 1986
EFFECTIVE DATE:	October 31, 1986