

ORDINANCE NO. 1447**ORIGINAL**

AN ORDINANCE OF THE CITY OF REDMOND, WASHINGTON, AUTHORIZING THE ISSUANCE OF LOCAL IMPROVEMENT DISTRICT BOND ANTICIPATION NOTES IN LOCAL IMPROVEMENT DISTRICT NO. 88-ST-53 PENDING THE RECEIPT OF THE PROCEEDS OF THE LOCAL IMPROVEMENT DISTRICT BONDS AUTHORIZED TO BE ISSUED BY ORDINANCE NO. 1444; AND PROVIDING FOR THE SALE OF SUCH BOND ANTICIPATION NOTES TO HARPER, McLEAN & COMPANY, SEATTLE, WASHINGTON.

WHEREAS, by Ordinance No. 1444, passed by the City Council on August 16, 1988 and approved by the Mayor after a public hearing thereon, the City ordered the improvement of 154th Avenue N.E. (an extension of West Lake Sammamish Parkway N.E., also known as State Route 901) by constructing and installing street and utility improvements, together with related improvements, all pursuant to property owners' petition therefor; established Local Improvement District No. 88-ST-53 (the "District") of the City; provided that payment for the improvements be made by special assessments upon the property in the District, payable through the issuance of local improvement district bonds; and provided for the issuance and sale of local improvement district warrants or other short-term obligations redeemable by cash and/or by local improvement district bonds; 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 carrying out the improvements ordered in the District; and

WHEREAS, Harper, McLean & 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, HEREBY ORDAINS AS FOLLOWS:

Section 1. For the purpose of paying a part of the cost of carrying out the improvements ordered in the District, Local Improvement District Bond Anticipation Notes of the District (the "Notes") shall be issued in the aggregate principal amount of \$565,000. The Notes shall be issued in form payable to bearer; shall be numbered from 1 upward; shall be in the denomination of \$5,000 each or any integral multiple thereof; shall be dated September 29, 1988; shall mature on March 1, 1989; and shall bear interest at the rate of 5.9 % per annum, based upon a 360-day year of twelve 30-day months, 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.

The Notes shall not be subject to redemption prior to maturity.

Both the principal of and the interest on the Notes shall be payable solely out of the Local Improvement Fund, District No. 88-ST-53 (the "Note Fund") created by Ordinance No. 1444, to be funded from the proceeds of local improvement district bonds authorized to be issued by Ordinance No. 1444 or other short-term obligations, which the City covenants to use its best efforts to issue, and/or prepaid special benefit assessments, and out of the Local Improvement Guaranty Fund of the City. The Notes shall be payable in lawful money of the United States of America upon presentation and surrender at the principal office of either 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 interest of the City.

Section 2. The Notes shall be printed on lithographed or 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 reproduction of the seal of the City printed thereon or the seal of the City impressed thereon.

Section 3. The principal proceeds received from the sale of the Notes shall be paid into the Note Fund and used to pay a part of the cost of carrying out the improvements ordered in the District.

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 exclusion of the interest on the Notes from the gross income of the recipients thereof for federal income taxation purposes, and will take or require to be taken such acts as may be reasonably within its ability and as may be required from time to time under applicable law to continue the exclusion of the interest on the Notes from the gross income of the recipients thereof for federal income taxation purposes. Without limiting the generality of the foregoing, the City will not invest or make other use of the proceeds of the Notes or of its other money at any time during the term of the Notes, which will cause the Notes to be "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the "Internal Revenue Code"), and applicable regulations thereunder.

The City covenants that, if both (a) the City has issued more than \$5,000,000 of tax-exempt bonds (including the Notes) during calendar year 1988, and (b) 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 Internal Revenue Code.

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. Harper, McLean & 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, typewritten or multicopied Notes and the approving legal opinion of Riddell, Williams, Bullitt & Walkinshaw, bond counsel of Seattle, Washington, at the City's expense. A copy of the written purchase offer is on file with the City Finance Director. 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 the interest on the Notes. The City Council, deeming that it is in the best interest of the City that such offer be accepted, accepts the same. The proper officers of the City are authorized and directed to execute the written purchase contract to evidence such acceptance and to do everything necessary for the prompt delivery of the Notes to Harper, McLean & Company upon payment therefor in accordance with such offer.

Section 6. This ordinance shall take effect from and after its passage and five days following its publication as required by law.

CITY OF REDMOND, WASHINGTON


MAYOR, DOREEN MARCHIONE

ATTEST/AUTHENTICATED:


CITY CLERK, DORIS A. SCHAIBLE

APPROVED AS TO FORM:

OFFICE OF THE CITY ATTORNEY

By *John C. Martin*

FILED WITH THE CITY CLERK: 9-15-88
PASSED BY THE CITY COUNCIL: 9-20-88
SIGNED BY THE MAYOR: 9-20-88
PUBLISHED: 9-25-88
EFFECTIVE DATE: 9-30-88
ORDINANCE No.: 1447

DSG:tk
9/3/88