

ORIGINAL

CITY OF REDMOND, WASHINGTON

ORDINANCE NO. 737

AN ORDINANCE of the City of Redmond, Washington, providing for the issuance of \$600,000.00 par value of "Limited General Obligation Bonds, 1977," of the City to provide a part of the funds to pay the cost of constructing and equipping a maintenance shop for the Public Works Department of the City, including the acquisition of a site therefor, and an addition to the existing City Hall; specifying the maturities and fixing the form and maximum effective interest rate of such bonds; establishing a "Limited General Obligation Bond Fund, 1977," and providing for the sale of the bonds.

WHEREAS, the City is in urgent need of a maintenance shop for the Public Works Department and an addition to the existing City Hall and the funds available to the City to pay the cost thereof are inadequate and the City is in need of an additional \$600,000.00 to complete such projects; and

WHEREAS, the assessed valuation of the taxable property of the City as ascertained by the last preceding assessment for City purposes for the calendar year 1977 is \$321,108,659.00, and the amount of City general indebtedness outstanding at the time of the passage of this ordinance consists of unpaid balances on outstanding conditional sales contracts of \$190,286.00, \$435,000.00 of general obligation bonds issued within the limitation of 3/4 of 1% of the value of the taxable property within the City permitted for general municipal purposes without a vote of the qualified voters therein and \$673,000.00 of general obligation bonds issued within the limitation of 2-1/2% of the value of the taxable property within the City permitted for general municipal capital purposes pursuant to the affirmative vote of the qualified voters therein and the amount of indebtedness for which bonds are herein authorized to be issued is \$600,000.00; NOW, THEREFORE,

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

Section 1. The City of Redmond, Washington (hereinafter called the "City"), shall borrow money on the credit of the City and issue negotiable general obligation bonds evidencing such indebtedness in the amount of \$600,000.00 to provide a part of the funds to pay the cost of constructing and equipping a maintenance shop for the Public Works Department of the City, including the acquisition of a site therefor, and an addition to the existing City Hall, and to pay the cost of the issuance of the general obligation bonds herein authorized. Such general indebtedness to be incurred shall be within the limit up to $\frac{3}{4}$ of 1% of the value of the taxable property within the City permitted for general municipal purposes without a vote of the qualified voters therein.

Section 2. The bonds shall be called "Limited General Obligation Bonds, 1977," of the City, shall be dated February 1, 1977, shall be in denominations of \$5,000.00 each, shall be numbered from 1 to 120, inclusive, and shall bear interest at an effective rate not to exceed 8% per annum, payable on August 1, 1977, and semiannually thereafter on each succeeding February 1 and August 1, as evidenced by coupons attached to the bonds representing interest to maturity with full obligation on the part of the City to pay interest at the bond rate, from and after maturity, until the bonds, both principal and interest, are paid in full. Both principal and interest are to be paid in lawful money of the United States of America at the office of the City Treasurer, or, at the option of the holder, at either fiscal agency of the State of Washington in the Cities of Seattle, Washington, or New York, New York. The bonds shall be payable serially over a period of from two to twenty years from the date of issue and shall mature in order of their numbers as follows (based on an assumed interest rate of 5.75%):

<u>Bond Numbers (Inclusive)</u>	<u>Amounts</u>	<u>Maturities</u>
1 to 3	\$ 15,000	February 1, 1979
4 to 7	20,000	February 1, 1980
8 to 11	20,000	February 1, 1981
12 to 15	20,000	February 1, 1982
16 to 20	25,000	February 1, 1983
21 to 25	25,000	February 1, 1984
26 to 30	25,000	February 1, 1985
31 to 35	25,000	February 1, 1986
36 to 41	30,000	February 1, 1987
42 to 47	30,000	February 1, 1988
48 to 53	30,000	February 1, 1989
54 to 60	35,000	February 1, 1990
61 to 67	35,000	February 1, 1991
68 to 75	40,000	February 1, 1992
76 to 83	40,000	February 1, 1993
84 to 91	40,000	February 1, 1994
92 to 100	45,000	February 1, 1995
101 to 110	50,000	February 1, 1996
111 to 120	50,000	February 1, 1997

The City reserves the right and option to redeem the bonds prior to their stated maturity dates as a whole, or in part in inverse numerical order, on February 1, 1987, or on any semiannual interest payment date thereafter, at par plus accrued interest to date of redemption.

Notice of such intended redemption shall be published in the official newspaper of the City at least once not less than thirty nor more than forty-five days prior to the call date, and a copy of such notice shall be mailed within the same period to the original purchaser or the account manager of the underwriter who purchases the bonds. In addition, such redemption notice shall also be sent to Moody's Investors Service, Inc., and Standard & Poor's Corporation, at their offices in New York, New York, but the mailing of such notice to such corporations shall not be a condition precedent to the redemption of such bonds. Interest on any bonds so called for redemption shall cease on such call date upon payment of the redemption price into the bond redemption fund for the 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.

Section 3. The City hereby irrevocably pledges itself to levy taxes annually, within the constitutional and statutory tax limitations provided by law without a vote of the electors, upon all property in the City subject to taxation in an amount sufficient to pay the principal of and interest on the bonds as the same shall accrue, and the full faith, credit and resources of the City are hereby irrevocably pledged for the payment of the principal of and interest on such bonds.

Section 4. The bonds shall be substantially in the following form:

No. _____ \$5,000.00

UNITED STATES OF AMERICA

STATE OF WASHINGTON

CITY OF REDMOND

LIMITED GENERAL OBLIGATION BOND, 1977

_____ §

KNOW ALL MEN BY THESE PRESENTS: That the City of Redmond (the "City"), State of Washington, for value received, promises to pay to bearer on the FIRST DAY OF FEBRUARY, 19__, the principal sum of

FIVE THOUSAND DOLLARS

together with interest thereon at the rate of _____ % per annum, until fully paid, payable on August 1, 1977, and semiannually thereafter on each succeeding February 1 and August 1 with interest to maturity being evidenced by and payable upon the presentation and surrender of the attached interest coupons as they severally become due, with full obligation on the part of the City to pay interest at the same rate from and after the maturity date, in the absence of coupons, until this bond with interest is paid in full. The bond is payable, both principal and interest, in lawful money of the United States of America at the office of the Treasurer of the City or, at the option of the holder, at either fiscal agency of the State of Washington in the Cities of Seattle, Washington, or New York, New York.

This bond is one of a total issue of \$600,000.00 par value of bonds, all of like date, tenor and effect, except for maturities [and interest rates if more than one interest rate is bid], issued by the City for

general municipal purposes, namely, for the purpose of providing a part of the funds to pay the cost of constructing and equipping a maintenance shop for the Public Works Department of the City, including the acquisition of a site therefor, and an addition to the existing City Hall, and is issued in full compliance with the ordinances of the City and the laws and Constitution of the State of Washington.

The City reserves the right and option to redeem the bonds prior to their stated maturity dates as a whole, or in part in inverse numerical order, on February 1, 1987, or on any semiannual interest payment date thereafter, at par plus accrued interest to date of redemption.

Notice of such intended redemption shall be published in the official newspaper of the City at least once not less than thirty nor more than forty-five days prior to the call date, and a copy of such notice shall be mailed within the same period to [the original purchaser or the account manager of the underwriter who purchases the bonds]. In addition, such redemption notice shall also be sent to Moody's Investors Service, Inc., and Standard & Poor's Corporation, at their offices in New York, New York, but the mailing of such notice to such corporations shall not be a condition precedent to the redemption of such bonds. Interest on any bonds so called for redemption shall cease on such call date upon payment of the redemption price into the bond redemption fund.

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.

The City hereby irrevocably pledges itself to levy taxes annually, within the constitutional and statutory tax limitations provided by law without a vote of the electors, upon all property in the City subject to taxation in an amount sufficient to pay the principal of and interest on the bonds of this issue as the same shall accrue, and the full faith, credit and resources of the City are hereby irrevocably pledged for the payment of the principal of and interest on the bonds.

It is hereby certified that all acts, conditions and things required to be done precedent to and in the issuance of this bond have been done, have happened and have been performed as required by law, and that the total indebtedness of the City, including this bond issue, does not exceed any constitutional or statutory limitations.

IN WITNESS WHEREOF, the City has caused this bond to be signed by the facsimile signature of its Mayor and attested by the manual signature of its City Clerk and its corporate seal to be hereto affixed and the interest coupons attached to be signed with the facsimile signatures of said officials this first day of February, 1977.

CITY OF REDMOND, WASHINGTON

By (facsimile signature)
Mayor

ATTEST:

City Clerk

The form of the interest coupons shall be substantially as follows:

Coupon No. ____

\$ _____

(Unless the bond referred to below has been previously redeemed)

On the FIRST DAY OF (FEBRUARY) (AUGUST), 19__, the CITY OF REDMOND, WASHINGTON, upon presentation and surrender of this coupon will pay to the bearer at the office of the Treasurer of the City or, at the option of the holder, at either fiscal agency of the State of Washington in the Cities of Seattle, Washington, or New York, New York, the amount shown hereon in lawful money of the United States of America, said sum being the interest due that date on its "Limited General Obligation Bond, 1977," dated February 1, 1977, and numbered _____.

CITY OF REDMOND, WASHINGTON

By (facsimile signature)
Mayor

ATTEST:

(facsimile signature)
City Clerk

Section 5. The bonds shall be printed or lithographed on good bond paper and shall be signed by the facsimile signature of the Mayor and attested by the manual signature of the City Clerk under the seal of the City, and the coupons shall bear the facsimile signatures of the Mayor and the City Clerk.

Section 6. There is hereby created and established in the office of the City Treasurer a special fund to be known and designated as the "Limited General Obligation Bond Fund, 1977," of the City. The accrued interest received, if any, shall be paid into the "Limited General Obligation Bond Fund, 1977," and \$310,000.00 of the principal proceeds received from the sale of the bonds shall be paid into the "Cumulative Reserve for Shop Construction Fund" of the City and \$290,000.00 of the principal proceeds received from the

sale of the bonds shall be paid into the "City Hall Construction Fund" of the City, both of which funds were heretofore created and established in the office of the City Treasurer. All taxes collected for and allocated to the payment of the principal of and interest on the bonds, and any other money lawfully available therefor by action of the City Council, shall hereafter be deposited in the "Limited General Obligation Bond Fund, 1977."

Section 7. The bonds shall be sold for cash at public sale for not less than par, plus accrued interest, upon sealed bids to be received at the office of the City Clerk up to the day and hour stated in the Notice of Bond Sale hereinafter directed to be given.

Notice calling for bids to purchase the bonds shall be published once a week for four consecutive weeks in the official newspaper of the City and a short abbreviated form of such notice shall also be published once in the Daily Journal of Commerce of Seattle, Washington, at least ten days before the bid opening date. Such notice shall specify that the bids for the purchase of the bonds shall be received by the City Clerk of the City at his office in the City Hall on January 18, 1977, up to 1:00 o'clock p.m. (PST), and such bids will be publicly opened at such time and will be considered by the City Council at a meeting thereof to be held in the Council Chambers on the same date commencing at 7:30 o'clock p.m. (PST).

A copy of the notice shall, at least three weeks prior to the date fixed for the sale be mailed to the State Finance Committee, Olympia, Washington.

Bidders are invited to name the rate or rates of interest which the bonds are to bear, not exceeding an effective rate of 8% per annum. Bidders shall submit a bid specifying:

(a) The lowest rate or rates of interest and premium, if any, above par at which the bidder will purchase the bonds; or

(b) The lowest rate or rates of interest at which the bidder will purchase the bonds at par.

No bid will be considered for the bonds for less than par and accrued interest. The purchaser must pay accrued interest to date of delivery of the bonds.

Coupon rates shall be in multiples of 1/8 or 1/20 of 1%, or both. No more than one rate of interest may be fixed for any one maturity. Only one coupon will be attached to each bond for each installment of interest thereon, and bids providing for additional or supplemental coupons will be rejected. The maximum differential between the lowest and highest coupon rates named in any bid shall not exceed 2%.

For the purpose of comparing the bids only, the coupon rates bid being controlling, each bid shall state the total interest cost over the life of the bonds and the net effective interest rate of the bid.

The bonds shall be sold to the bidder making the best bid, subject to the right of the City Council of the City to reject any and all bids and to readvertise the bonds for sale in the manner provided by law, and no bid for less than all of the bonds will be considered.

All bids shall be sealed and, except the bid of the State of Washington, if one is received, shall be accompanied by a deposit of \$30,000.00. The deposit shall be either cash or certified or cashier's check made payable to the Treasurer of the City, which shall be promptly returned if the bid is not accepted. If the bonds are ready for delivery and the successful bidder shall fail and neglect to complete the purchase of the bonds within forty days following the acceptance of its bid, the amount of its deposit shall be forfeited to the City and in that event the City Council may accept the bid of the one making the next best bid. If there be two or more equal bids for the bonds for not less than par plus accrued interest and such bids are the best bids received, the City Council will determine by lot which bid will be accepted. The bonds will be delivered

to the successful bidder at the office of the Treasurer of the City of Redmond or in the City of Seattle at the expense of the City, or at such other place as the Treasurer of the City and the successful bidder may mutually agree upon at the purchaser's expense. Settlement shall be made by the purchaser in federal funds.

Any bid presented after the hour specified for the receipt of bids will not be received, and any bid not accompanied by the required bid deposit at the time of opening such bid will not be read or considered.

It is understood that if, prior to the delivery of the bonds, the income receivable by the holders thereof shall become taxable, directly or indirectly, by the terms of any federal income tax law, the successful bidder may at its option be relieved of its obligation to purchase the bonds, and in such case the deposit accompanying its bid will be returned, without interest.

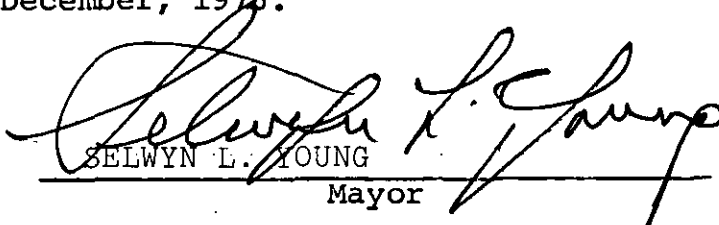
The City will cause the bonds to be printed or lithographed and signed without expense to the successful bidder.

CUSIP numbers will be printed on the bonds, if requested in the bid of the successful bidder, but neither failure to print such numbers on any bond nor error with respect thereto shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for the bonds in accordance with the terms of the purchase contract. All expenses in relation to the printing of CUSIP numbers on the bonds shall be paid by the issuer; provided, however, that the fee of the CUSIP Service Bureau for the assignment of said numbers shall be the responsibility of and shall be paid for by said purchaser.

The City Clerk of the City shall be and is hereby authorized and directed to publish notice for the purchase of the bonds in the manner required by law in accordance with the provisions of this section. Such notice shall provide that the City will cause the bonds to be printed or lithographed and signed and will furnish

the approving legal opinion of Messrs. Roberts, Shefelman, Lawrence, Gay & Moch, municipal bond counsel of Seattle, Washington, covering the bonds without cost to the purchaser, such opinion also being printed on each bond. Such bond opinion shall state that bond counsel expresses no opinion on the completeness or accuracy of any official statement, offering circular or other sales material relating to the issuance of the bonds prepared by the City or its financial advisor or otherwise used in connection with such bonds. A no-litigation certificate will be included in the closing papers. Such notice shall also provide that further information regarding the details of such bonds may be received upon request made to the City Clerk or to Seattle-Northwest Securities Corporation, 500 Union Street, Seattle, Washington 98101, the City's financial consultant.

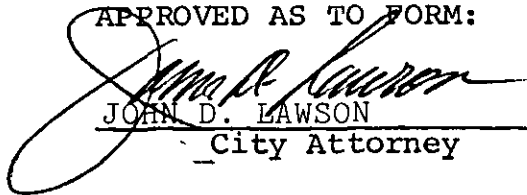
PASSED by the City Council of the City of Redmond, Washington, at a regular open public meeting thereof, and APPROVED by the Mayor this 7th day of December, 1976.


SELWYN L. YOUNG
Mayor

ATTEST:


DORIS A. SCHAIBLE
Deputy City Clerk

APPROVED AS TO FORM:


JOHN D. LAWSON
City Attorney

Published: in the Sammamish Valley News on 12-15-76.

NOTICE OF BOND SALE

CITY OF REDMOND, WASHINGTON

LIMITED GENERAL OBLIGATION BONDS, 1977

\$600,000.00

SEALED PROPOSALS will be received at the office of the City Clerk at the City Hall, 15670 N.E. 85th Street, Redmond, Washington, until 1:00 o'clock p.m. (PST) on

JANUARY 18, 1977

and such bids will be publicly opened at such time and will be considered by the City Council at a meeting to be held in the Council Chambers in the City Hall on the same date commencing at 7:30 o'clock p.m. (PST) for the purchase of \$600,000.00 par value of "Limited General Obligation Bonds, 1977," of the City of Redmond, Washington, authorized to be issued by Ordinance No. 737 for strictly municipal purposes, for the purpose of providing a part of the funds to pay the cost of constructing and equipping a maintenance shop for the Public Works Department of the City, including the acquisition of a site therefor, and an addition to the existing City Hall, and to pay the cost of the issuance of such general obligation bonds.

The bonds will be dated February 1, 1977, will be in denominations of \$5,000.00 each, will be numbered from 1 to 120, inclusive, will bear interest at an effective rate not exceeding 8% per annum, payable on August 1, 1977, and semiannually thereafter on each succeeding February 1 and August 1, interest to maturity to be evidenced by coupons to be attached to the bonds, will be payable, both principal and interest, at the office of the Treasurer of the City of Redmond, Washington, or, at the option of the holder, at either fiscal agency of the State of Washington in the Cities of Seattle, Washington, or New York, New York, and will mature serially as follows:

<u>Bond Numbers (Inclusive)</u>	<u>Amounts</u>	<u>Maturities</u>
1 to 3	\$15,000	February 1, 1979
4 to 7	20,000	February 1, 1980
8 to 11	20,000	February 1, 1981
12 to 15	20,000	February 1, 1982
16 to 20	25,000	February 1, 1983
21 to 25	25,000	February 1, 1984
26 to 30	25,000	February 1, 1985
31 to 35	25,000	February 1, 1986
36 to 41	30,000	February 1, 1987
42 to 47	30,000	February 1, 1988
48 to 53	30,000	February 1, 1989
54 to 60	35,000	February 1, 1990
61 to 67	35,000	February 1, 1991
68 to 75	40,000	February 1, 1992
76 to 83	40,000	February 1, 1993
84 to 91	40,000	February 1, 1994
92 to 100	45,000	February 1, 1995
101 to 110	50,000	February 1, 1996
111 to 120	50,000	February 1, 1997

The City has reserved the right and option to redeem the bonds prior to their stated maturity dates as a whole, or in part in inverse numerical order, on February 1, 1987, or on any semiannual interest payment date thereafter, at par plus accrued interest to date of redemption.

Notice of such intended redemption shall be published in the official newspaper of the City at least once not less than thirty nor more than forty-five days prior to the call date, and a copy of such notice shall be mailed within the same period to the original purchaser or the account manager of the underwriter who purchases the bonds. In addition, such redemption notice shall also be sent to Moody's Investors Service, Inc., and Standard & Poor's Corporation, at their offices in New York, New York, but the mailing of such notice to such corporations shall not be a condition precedent to the redemption of such bonds. Interest on any bonds so called for redemption shall cease on such call date upon payment of the redemption price into the bond redemption fund for the bonds.

The City further has reserved 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.

The interest rate or rates for the bonds shall be fixed by the City Council after the bonds have been sold.

The City, by Ordinance No. 737, has irrevocably pledged itself to levy taxes annually, within the constitutional and statutory tax limitations provided by law without a vote of the electors, upon all property in the City subject to taxation in an amount sufficient to pay the principal of and interest on the bonds as the same shall accrue, and the full faith, credit and resources of the City have been irrevocably pledged for the payment of the principal of and interest on such bonds.

Bidders are invited to name the rate or rates of interest which the bonds are to bear, not exceeding an effective rate of 8% per annum. Bidders shall submit a bid specifying:

(a) The lowest rate or rates of interest and premium, if any, above par at which the bidder will purchase the bonds; or

(b) The lowest rate or rates of interest at which the bidder will purchase the bonds at par.

No bid will be considered for the bonds for less than par and accrued interest. The purchaser must pay accrued interest to date of delivery of the bonds.

Coupon rates shall be in multiples of 1/8 or 1/20 of 1%, or both. No more than one rate of interest may be fixed for any one maturity. Only one coupon will be attached to each bond for each installment of interest thereon, and bids providing for additional or supplemental coupons will be rejected. The maximum differential between the lowest and highest coupon rates named in any bid shall not exceed 2%.

For the purpose of comparing the bids only, the coupon rates bid being controlling, each bid shall state the total interest cost over the life of the bonds and the net effective interest rate of the bid.

The bonds shall be sold to the bidder making the best bid, subject to the right of the City Council of the City to reject any and

all bids and to readvertise the bonds for sale in the manner provided by law, and no bid for less than all of the bonds will be considered.

All bids shall be sealed and, except the bid of the State of Washington, if one is received, shall be accompanied by a deposit of \$30,000.00. The deposit shall be either cash or certified or cashier's check made payable to the Treasurer of the City, which shall be promptly returned if the bid is not accepted. If the bonds are ready for delivery and the successful bidder shall fail and neglect to complete the purchase of the bonds within forty days following the acceptance of its bid, the amount of its deposit shall be forfeited to the City and in that event the City Council may accept the bid of the one making the next best bid. If there be two or more equal bids for the bonds for not less than par plus accrued interest and such bids are the best bids received, the City Council will determine by lot which bid will be accepted. The bonds will be delivered to the successful bidder at the office of the Treasurer of the City of Redmond or in the City of Seattle at the expense of the City, or at such other place as the Treasurer of the City and the successful bidder may mutually agree upon at the purchaser's expense. Settlement shall be made by the purchaser in federal funds.

Any bid presented after the hour specified for the receipt of bids will not be received, and any bid not accompanied by the required bid deposit at the time of opening such bid will not be read or considered.

It is understood that if, prior to the delivery of the bonds, the income receivable by the holders thereof shall become taxable, directly or indirectly, by the terms of any federal income tax law, the successful bidder may at its option be relieved of its obligation to purchase the bonds, and in such case the deposit accompanying its bid will be returned, without interest.

The City will cause the bonds to be printed or lithographed and signed without expense to the successful bidder.

CUSIP numbers will be printed on the bonds, if requested in the bid of the successful bidder, but neither failure to print such numbers on any bond nor error with respect thereto shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for the bonds in accordance with the terms of the purchase contract. All expenses in relation to the printing of CUSIP numbers on the bonds shall be paid by the issuer; provided, however, that the fee of the CUSIP Service Bureau for the assignment of said numbers shall be the responsibility of and shall be paid for by said purchaser.

The approving legal opinion of Messrs. Roberts, Shefelman, Lawrence, Gay & Moch, attorneys, Seattle, Washington, will be furnished to the purchaser of the bonds without cost to the purchaser, which legal opinion will be printed on each bond. Such bond opinion shall state that bond counsel expresses no opinion on the completeness or accuracy of any official statement, offering circular or other sales material relating to the issuance of the bonds prepared by the City or its financial advisor or otherwise used in connection with such bonds. A no-litigation certificate will be included in the closing papers.

Information concerning the bonds may be received upon request made to the undersigned or to Seattle-Northwest Securities Corporation, 500 Union Street, Seattle, Washington 98101, the City's financial consultant.

DATED at Redmond, Washington, this 15th day of December, 1976.


PAUL F. KUSAKABE, City Clerk

Publication Dates:

12-22-76, 12-29-76, 1-5-77 and 1-12-77