

ORIGINAL

CITY OF REDMOND, WASHINGTON

ORDINANCE NO. 905

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 \$800,000 PAR VALUE OF "LIMITED TAX GENERAL OBLIGATION BONDS, 1980," OF THE CITY FOR STRICTLY CITY PURPOSES TO PROVIDE FUNDS WITH WHICH TO PAY THE COST OF CONSTRUCTING AND EQUIPPING A NEW FIRE HALL ON LAND PRESENTLY OWNED BY THE CITY; ESTABLISHING A BOND REDEMPTION FUND AND PROVIDING FOR THE SALE OF SUCH BONDS.

WHEREAS, the City of Redmond, Washington (hereinafter called the "City") is in urgent need of constructing and equipping a new fire hall on land presently owned by the City, the estimated cost of which is \$800,000, and the City does not have available sufficient funds to pay such cost; NOW, THEREFORE,

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

Section 1. The assessed valuation of the taxable property of the City as ascertained by the last preceding assessment for City purposes for the calendar year 1980 is \$534,239,565, and the City has outstanding general indebtedness evidenced by limited tax general obligation bonds of \$825,000 incurred within the limit of up to 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 has a general indebtedness outstanding evidenced by unlimited tax general obligation bonds in the principal amount of \$8,921,000 issued pursuant to a vote of the qualified voters of the City for municipal capital purposes other than the replacement of equipment, and the amount of indebtedness for which bonds are herein authorized to be issued is \$800,000.

Section 2. The City shall borrow money on the credit of the City and issue negotiable limited tax general obligation bonds evidencing such indebtedness in the amount of \$800,000 for general

City purposes to provide the funds to pay the cost of constructing and equipping a new fire hall on land presently owned by the City as above described and to pay the cost of the issuance of the Bonds. Such general indebtedness to be incurred shall be within the limit up to 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 3. The Bonds shall be called "Limited Tax General Obligation Bonds, 1980," (the "Bonds") of the City; shall be dated June 1, 1980; shall be in denominations of \$5,000 each; shall be numbered from 1 to 160, inclusive; and shall bear interest at the rate or rates specified in the winning bid for the Bonds, but not in excess of an effective rate of 12% per annum, payable on June 1, 1981, and semiannually thereafter on each succeeding December 1 and June 1 as evidenced by coupons to be attached to the Bonds representing interest to maturity. If any Bond is not redeemed when duly presented at its maturity or call date thereof, the City shall be obligated to pay interest at the coupon rate for each such Bond from and after the maturity or call date until such Bond, both principal and interest, shall have been paid in full or until sufficient money for such payment in full is on deposit in the "Limited Tax General Obligation Bond Fund, 1980" (the "Bond Fund"), hereinafter created and the Bonds have been duly called for payment. Both principal of and interest on the Bonds are to be paid in lawful money of the United States of America, which at the time of payment shall be legal tender for the payment of public and private debts, at the office of the City Treasurer, or, at the option of the holder, at either fiscal agency of the State of Washington in Seattle, Washington, or New York, New York. The Bonds shall mature serially, annually, in order of their numbers in the following amounts on June 1 of each of the following years (such maturity schedule being computed at an assumed interest rate of 8.30% per annum):

<u>Bond Numbers (Inclusive)</u>	<u>Amounts</u>	<u>Maturity Years</u>
1 to 10	\$ 50,000	1982
11 to 20	50,000	1983
21 to 31	55,000	1984
32 to 43	60,000	1985
44 to 56	65,000	1986
57 to 70	70,000	1987
71 to 85	75,000	1988
86 to 102	85,000	1989
103 to 120	90,000	1990
121 to 139	95,000	1991
140 to 160	105,000	1992

The City reserves the right to redeem any or all of the Bonds prior to their stated maturity dates as a whole, or in part in inverse numerical order, on June 1, 1988, or 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, or if there is no official newspaper, then in a newspaper of general circulation in King County, at least once not less than 30 nor more than 45 days prior to the call date, and a copy of such notice shall be mailed within the same period to the main office of the principal underwriter or account manager of the successful bidder for the Bonds, or its successor. 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 New York 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 Fund.

The City 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 date of purchase.

Section 4. 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 of the

City, upon all 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 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 the Bonds.

Section 5. The City hereby covenants that it will make no use of the proceeds of the Bonds or of its other money at any time during the term of the Bonds which will cause the 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 promulgated thereunder.

Section 6. The Bonds and coupons shall be printed or lithographed on good bond paper in a form consistent with the provisions of this Ordinance. The Bonds shall be signed by the facsimile signature of the Mayor and attested by the manual signature of the City Clerk and a facsimile reproduction of the seal of the City shall be printed thereon, and the coupons shall bear the facsimile signatures of the Mayor and the City Clerk.

Section 7. The Bond Fund is hereby created and established in the office of the City Treasurer. The accrued interest and premium received, if any, upon the sale and delivery of the Bonds shall be paid into the Bond Fund. The principal proceeds received from the sale and delivery of the Bonds shall be paid into the "Fire Station Construction Fund, 1979," created by Ordinance No. 868 passed and approved May 1, 1979, and used for the purposes specified in Section 2 of this Ordinance and to pay the costs of issuance and sale of the Bonds. Any funds remaining in such construction fund after the above improvements are carried out shall be applied toward retirement of the bonds issued pursuant to this Ordinance. 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 "Fire

Station Construction Fund, 1979" and expended for the purposes of such fund. 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. In the event that a sale of the old Fire Hall occurs, the net proceeds of such sale shall be applied toward retirement of the Bonds issued pursuant to this Ordinance.

Section 8. The Bonds shall be sold for cash at public sale for not less than par, plus accrued interest.

The City Clerk is hereby authorized to give notice calling for bids to purchase the Bonds by publishing the same once a week for four consecutive weeks in the official newspaper of the City, or if there is no official newspaper, then in a newspaper of general circulation in King County. Such notice shall specify that sealed bids for the purchase of the Bonds shall be received by the City Clerk in his office in the City Hall on May 20, 1980, up to 11:00 am, local time, at which time all bids will be considered and award made by the City Council at its regular meeting to be held in the City Council Chambers commencing at 8:00 p.m., local time, on the same date.

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.

Bids shall be invited for the purchase of the Bonds with fixed maturities in accordance with the schedule specified in Section 3 hereof.

The notice shall specify the maximum effective rate of interest the Bonds shall bear, namely, 12% per annum, and shall require bidders to 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 1/8th or 1/20th 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 of the Bonds 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 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 shall be considered. The City further reserves the right to waive any irregularity in any bid or in the bidding process.

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 \$40,000. The deposit shall be either by certified check or cashier's check made payable to the City Treasurer and shall be promptly returned if the bid is not accepted. The City reserves the right to invest the good faith deposit of the purchaser pending the payment for the Bonds. The purchaser shall not be credited for such earnings. If the Bonds are ready for delivery and the successful bidder shall fail or 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 may accept the bid of the one making the next best bid. If there be two or more equal bids for not less than par plus accrued interest and such bids are the best bids received, the City Council shall determine by lot which bid shall be accepted. The Bonds will be delivered, against payment of the

purchase price plus accrued interest to date of delivery less the amount of the good faith deposit, to the successful bidder at the office of the City Treasurer or in Seattle, Washington, at the City's expense, or at such other place as the City Treasurer and the successful bidder may mutually agree upon at the purchaser's expense. A no-litigation certificate in the usual form will be included in the closing papers.

Any bid presented after the time 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.

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 notice of bond sale 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, the opinion also being printed on each bond. 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, and bond counsel's opinion shall so state. Such notice shall also provide that further information regarding the details of the Bonds may be received upon request made to the City Clerk, City Hall, Redmond, Washington, or to Seattle-Northwest Securities Corporation, 500 Union Street, Seattle, Washington, the City's financial consultant.

Section 9. This ordinance shall take effect from and after its passage and five (5) days following its publication as required by law.

PASSED by the City Council ^{P.K. 4/8/80} ~~and APPROVED by the Mayor~~ of the City of Redmond, Washington, at a regular open public meeting thereof, this 18th day of March, 1980.

~~APPROVED~~ P.K. 4/8/80

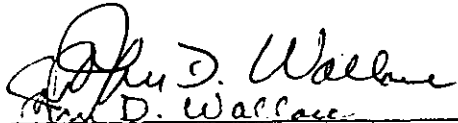
Mayor, CHRISTINE T. HIMES

ATTEST/AUTHENTICATED

City Clerk, PAUL F. KUSAKABE

APPROVED AS TO FORM:

OFFICE OF CITY ATTORNEY

By 
Paul D. Wallace
CITY ATTORNEY

FILED WITH THE CITY CLERK: *March 13, 1980*

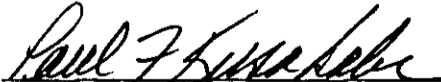
PASSED BY THE CITY COUNCIL: March 18, 1980

PUBLISHED: April 9, 1980

EFFECTIVE DATE: April 14, 1980

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I, PAUL F. KUSAKABE, City Clerk of the City of Redmond, Washington, do hereby certify that Ordinance NO. 905 was passed by the Redmond City Council at its regular meeting of March 18, 1980. Pursuant to RCW 35A.12.130 and inasmuch as the Mayor neither approved by her signature nor vetoed the ordinance by March 28, 1980, Ordinance No. 905 has become a valid ordinance of the City of Redmond. The publication date will be April 9, 1980 and the effective date of the Ordinance No. 905 is April 14, 1980.


PAUL F. KUSAKABE, CITY CLERK

April 3, 1980