

2013 - 2014 Seattle City Council Green Sheet

Ready for Notebook

Tab	Action	Option	Version
143	1	B	1

Budget Action Title: Amend and Pass C.B. 117632 -- The Limited Tax General Obligation Bond Ordinance

Councilmembers: Budget Committee

Staff Analyst: John McCoy

Council Bill or Resolution: 117632

Date		Total	SB	BH	TR	RC	TB	NL	JG	SC	MO
	Yes										
	No										
	Abstain										
	Absent										

Summary of Dollar Effect

See the following pages for detailed technical information

	2013 Increase (Decrease)	2014 Increase (Decrease)
General Subfund		
General Subfund Revenues	\$0	\$0
General Subfund Expenditures	(\$4,227,196)	\$1,262,000
Net Balance Effect	\$4,227,196	(\$1,262,000)
Other Funds		
2013 Multipurpose LTGO Bond Fund		
Revenues	\$0	\$0
Expenditures	\$4,479,196	\$0
Net Balance Effect	(\$4,479,196)	\$0
Total Budget Balance Effect	(\$252,000)	(\$1,262,000)

Budget Action description:

This green sheet passes Version 4a of Council Bill 117632, the Limited Tax General Obligation Bond ordinance. The ordinance authorizes the issuance of up to \$96 million in new City debt to finance a variety of projects found in the Proposed Budget and CIP. The City typically issues \$70-\$90 million in new LTGO debt each year, so this authorization is consistent with recent practice. The City is currently well under its state law limits for councilmanic debt and would remain so after this issuance. The project list and proposed debt terms are shown in Table 1 for information only. The ordinance as drafted allows for flexibility on all these terms.

<i>Tab</i>	<i>Action</i>	<i>Option</i>	<i>Version</i>
143	1	B	1

Option B, Version 1 makes several changes from the ordinance as introduced, with transactions to reflect those changes in the budget. The actions include:

- Shortening the loan term for the “Next Generation Data Center” project in the Department of Information Technology (DOIT) from 15 years to 10 years, a more financing conservative approach. No budget transactions adjusting DOIT’s debt service are needed, due to a slight mismatch in the Mayor’s Proposed Budget.
- Adding \$4.25 million of LTGO debt financing, plus 3% issuance costs, in 2013 for the North Precinct project, along with relevant debt service adjustments in Finance General. A related green sheet (10-1-A) accelerates the appropriation for this project in the Finance & Administrative Services (FAS) Department’s CIP.
- Adding \$4.479 million, plus 3% issuance costs, in debt financing for the purchase of Video Mobile Data Terminals (VMDTs) in the Seattle Police Department on a 5-year term. This replaces the cash financing found in the Proposed budget. This action also reduces the Police Department’s operating budget by the same amount, creates a new BCL in FAS, and appropriates the project budget there.
- Adding a new project to the 2013-2018 Capital Improvement Program for the VMDTs, as shown in the attached CIP page.
- Amending Attachment A of the Budget Adoption Ordinance as follows to add the following new BCL:

Fund	Department	BCL Code	BCL Name	BCL Purpose
2013 Multipurpose LTGO Bond Fund	Department of Finance & Administrative Services	35700-A1EXT	FAS Oversight-External Projects (35700-CIP)	The purpose of the FAS Oversight-External Projects Budget Control Level (BCL) is to provide a structure for debt financing projects, including information technology projects, for City departments that lack their own capital program. This BCL is supported by the 2013 LTGO Bond Fund (35700).

Tab	Action	Option	Version
143	1	B	1

**Table 1 – Project List and Proposed Debt
Terms for 2013 LTGO Bond Issue (Information Only)**

Project	Principal Amount	Max Term (years)	Budgeted Interest Rate	Debt Service Funding Source
Bridge Seismic	\$6,928,043	20	4.5%	CPT
Mercer West	\$11,173,000	20	4.5%	CPT
South Park Bridge	\$10,000,000	20	4.5%	GF
Seawall	\$6,200,000	20	4.5%	CPT
Golf	\$7,370,846	20	4.5%	DPR
Rainier Beach Community Center	\$6,600,000	20	4.5%	GF
Magnuson Park Building 30	\$5,215,000	12	3.5%	DPR
Fire Facilities	\$12,726,000	20	4.5%	REET I
B&O IT	\$7,632,000	5	3.0%	GF*
Financial IT Upgrades	\$5,886,000	5	3.0%	FAS
Data Center	\$2,625,000	10	3.5%	DOIT
North Precinct	\$4,250,000	20	4.5%	GF
Video Mobile Data Terminals	\$4,479,196	5	3.0%	GF
Issuance Costs/ Pricing Adjust.	\$2,732,553			
Total	\$93,817,638			

* Includes 30% reimbursement from other participating Cities

Highlighted items reflect changes from the Mayor's Proposed Budget.

<i>Tab</i>	<i>Action</i>	<i>Option</i>	<i>Version</i>
143	1	B	1

Budget Action Transactions

Budget Action Title: Amend and Pass C.B. 117632 -- The Limited Tax General Obligation Bond Ordinance

#	Transaction Description	Position Title	Number of Positions	FTE	Dept	BCL or Revenue Source	Summit Code	Fund	Year	Revenue Amount	Expenditure Amount
1	Adjust debt service for north precinct				FG	General Bond Interest/Redemption Fund	Q5972010	00100	2013		\$148,000
2	Adjust debt service for north precinct				FG	General Bond Interest/Redemption Fund	Q5972010	00100	2014		\$255,000
3	Adjust debt service for video mobile data terminals				FG	General Bond Interest/Redemption Fund	Q5972010	00100	2013		\$104,000
4	Adjust debt service for video mobile data terminals				FG	General Bond Interest/Redemption Fund	Q5972010	00100	2014		\$1,007,000
5	Transfer project budget to FAS placeholder BCL				SPD	Field Support Administration	P8000	00100	2013		(\$4,479,196)
6	Transfer project budget to FAS placeholder BCL				FAS	FAS Oversight-External Projects (35700-CIP)	A1EXT	35700	2013		\$4,479,196

Finance and Administrative Services

Video Mobile Data Terminals

BCL/Program Name:	FAS Oversight – External Projects	BCL/Program Code:	A1EXT
Project Type:	New Investment	Start Date:	Q1/2013
Project ID:	A1EXT01	End Date:	Ongoing
Location:			
Neighborhood Plan:	Not in Neighborhood Plan	Neighborhood Plan Matrix:	
Neighborhood District:		Urban Village:	

This project funds the replacement of video mobile data terminals (VMDT) for the Seattle Police Department. This project is a placeholder that allows bond funding to be used for equipment purchases and related costs. The bond terms are expected to be short in duration in keeping with City financial policies.

	LTD Actuals	2012 Rev	2013	2014	2015	2016	2017	2018	Total
Revenue Sources									
General Obligation Bonds	0	0	4,479	0	0	0	0	0	4,479
Total:	0	0	4,479	0	0	0	0	0	4,479
Fund Appropriations/Allocations									
2013 Multipurpose LTGO Bond Fund	0	0	4,479	0	0	0	0	0	4,772
<hr/>									
Total:	0	0	4,479	0	0	0	0	0	4,479

**This detail is for information only. Funds are appropriated in the budget at the Budget Control Level. Amounts are in thousands of dollars.*

CITY OF SEATTLE
ORDINANCE _____
COUNCIL BILL _____

AN ORDINANCE relating to contracting indebtedness; authorizing and providing for the issuance and sale of limited tax general obligation bonds to pay all or part of the cost of financing elements of the City’s capital improvement program, issuing and selling the bonds, and other City purposes approved by ordinance; providing for terms and sale of the bonds; creating a bond fund; and ratifying and confirming certain prior acts.

WHEREAS, The City of Seattle, Washington (the “City”), has determined that it is in its best interest that certain capital improvement program projects hereafter identified, be financed by the issuance of limited tax general obligation bonds of the City in principal amount not to exceed ~~\$8596~~ million; and

WHEREAS, RCW 39.36.020 authorizes the City to incur indebtedness without assent of the voters of the City so long as such indebtedness does not result in a total nonvoted indebtedness of the City in excess of 1.5% of the value of taxable property within the City as computed in accordance with RCW 39.36.030; and

WHEREAS, the City from time to time will receive, review, and adopt a plan to refund selected maturities of its limited tax general obligation bonds consistent with Ordinance 121651, which states that selected maturities, including maturities of the bonds authorized in this ordinance, will be identified in a Bond Resolution (hereinafter defined); NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. Definitions. As used in this ordinance, the following capitalized terms shall have the following meanings.

“**Authorized Denomination**” means \$5,000 or any integral multiple thereof within a maturity.

“**Beneficial Owner**” means the owner of any beneficial interests in the Bonds.

“**Bond Counsel**” means a lawyer or a firm of lawyers, selected by the City, of nationally recognized standing in matters pertaining to bonds issued by states and their political subdivisions.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

“**Bond Fund**” means the City’s General Bond Interest and Redemption Fund, previously created by Ordinance 122121 and established and to be used for the payment of the principal of, premium, if any, and interest on the Bonds.

“**Bond Register**” means the books or records maintained by the Bond Registrar for the purpose of identifying ownership of the Bonds.

“**Bond Registrar**” or “**Registrar**” means, unless provided otherwise in the Bond Resolution, the Fiscal Agent of the State of Washington, or any successor bond registrar selected by the City, whose duties include the registration and authentication of the Bonds, maintenance of the Bond Register, effecting transfer of ownership of the Bonds, and paying the principal of, premium, if any, and interest on the Bonds.

“**Bond Resolution**” means the resolution or resolutions of the City Council adopted pursuant to this ordinance to specify certain additional provisions of each series of the Bonds and their sale.

“**Bonds**” means the limited tax general obligation bonds issued pursuant to this ordinance.

“**City**” means The City of Seattle, Washington, a municipal corporation duly organized and existing under the laws of the State of Washington.

“**City Council**” means the City Council of the City, as duly and regularly constituted from time to time.

“**Code**” means the Internal Revenue Code of 1986, or any successor thereto, as it has been and may be amended from time to time, and regulations thereunder.

“**Director of Finance**” means the Director of the Finance Division of the Department of Finance and Administrative Services of the City, or any other officer who succeeds to substantially all of the responsibilities of that office.

“**DTC**” means The Depository Trust Company, New York, New York.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

“Letter of Representations” means the Blanket Issuer Letter of Representations between the City and DTC dated October 4, 2006, as it may be amended from time to time, or an agreement with a substitute or successor Securities Depository.

“Projects” means items identified in Exhibit A, attached hereto and by this reference made a part hereof, and other projects authorized by ordinance.

“Record Date” means, in the case of each interest or principal payment or redemption date, the Bond Registrar’s close of business on the 15th day of the month preceding the interest or principal payment or redemption date.

“Registered Owner” means the person shown on the Bond Register as the owner of one or more Bonds.

“Registration Ordinance” means City Ordinance 111724 establishing a system of registration for the City’s bonds and other obligations pursuant to Seattle Municipal Code Chapter 5.10, as that chapter now exists or may hereafter be amended.

“Securities Depository” means DTC, any successor thereto, any substitute securities depository selected by the City, or the nominee of any of the foregoing. Any successor or substitute Securities Depository must be qualified under applicable laws and regulations to provide the services proposed to be provided by it.

“Tax Credit Subsidy Bond” means any bond that is designated by the City as a tax credit bond pursuant to the Code, and which is further designated as a “qualified bond” under Section 6431 or similar provision of the Code, and with respect to which the City is eligible to receive a tax credit subsidy payment.

“Tax Credit Subsidy Payment” means a payment by the federal government with respect to a Tax Credit Subsidy Bond.

“Tax-Exempt Bonds” means Bonds of any series, the interest on which is intended on the date of issuance to be excluded from gross income for federal income tax purposes.

1 **“Term Bonds”** means any Bonds identified as such in the Bond Resolution authorizing
2 the issuance thereof, which Bond Resolution requires that such bonds be purchased, redeemed,
3 or paid prior to maturity in a schedule established thereby.

4 Section 2. Debt Capacity. The maximum amount of indebtedness authorized by
5 this ordinance is the amount set forth in Section 3. Based on the following facts, this amount is to
6 be issued within the amount permitted to be issued by the City for general municipal purposes
7 without a vote:

8 (a) Assessed Valuation. The assessed valuation of the taxable property within the
9 City as ascertained by the last preceding assessment for City purposes for the year 2012 is
10 \$117,503,213,124.

11 (b) Outstanding Non-Voted Indebtedness. As of June 30, 2012, the City has
12 limited tax general obligation indebtedness, consisting of bond, notes, installment purchase
13 contracts, and lease purchase agreements outstanding in the principal amount of \$872,068,658,
14 which is incurred within the limit of up to 1½% of the value of the taxable property within the
15 City permitted for general municipal purposes without a vote.

16 (c) Outstanding Voted Indebtedness. As of June 30, 2012, the City has unlimited
17 tax general obligation indebtedness for capital purposes only outstanding in the principal amount
18 of \$108,310,000 for general municipal purposes; \$1,350,000 for City-owned water, artificial
19 light, and sewers; and no indebtedness for acquiring or developing open space, park facilities,
20 and capital facilities associated with economic development. The indebtedness described in this
21 subparagraph has been incurred with the approval of the requisite number of the City’s qualified
22 voters, within the limit of up to 2½% of the value of the taxable property within the City for
23 general municipal purposes (when combined with the outstanding limited tax general obligation
24 indebtedness), 2½% for utility purposes and 2½% for open space, parks and economic
25 development purposes.

1 On the date of issuance of each series, the expected life of the capital facilities to be
2 financed with the proceeds of that series of the Bonds shall exceed the final maturity of the
3 Bonds.

4 **Section 4. Bond Resolution.** The City Council may adopt the Bond Resolution and in
5 that resolution may provide for the matters described in this ordinance and such other matters
6 that the City Council deems necessary, appropriate, or desirable to carry out the purposes of this
7 ordinance.

8 The Bond Resolution may provide for bond insurance, and may provide conditions or
9 covenants relating thereto, including additional terms, conditions, and covenants relating to the
10 Bonds that are required by the bond insurer or interest rate swap, cap or floor counterparties, or
11 similar counterparties, and are consistent with the provisions of this ordinance, including but not
12 limited to restrictions on investments and requirements of notice to and consent of the bond
13 insurer or interest rate swap, cap, floor, or similar counterparty. The Bond Resolution may
14 approve and authorize the execution and delivery of any contracts and other documents
15 consistent with the provisions of this ordinance for which the City's approval is necessary or to
16 which the City is a party and that are related or incidental to the issuance and sale of the Bonds,
17 the establishment of the initial interest rate or rates on the Bonds, and any tender, purchase,
18 remarketing, or redemption of the Bonds, including but not limited to agreements with liquidity
19 or credit support providers, bond insurers, remarketing agents, underwriters, lenders, fiscal
20 agencies, interest rate swap, cap, floor, or similar counterparties, custodians, and the Bond
21 Registrar. The Mayor and the Director of Finance are each separately authorized to execute and
22 deliver, any contracts and other documents consistent with the provisions of this ordinance for
23 which the City's approval is necessary or to which the City is a party and that are related or
24 incidental to the issuance and sale of the Bonds.

25 The Bond Resolution may specify that a series of Bonds is a series of Tax-Exempt
26 Bonds, Tax Credit Subsidy Bonds, or other taxable Bonds.

1 The City Council may determine and specify by the Bond Resolution the amount, if any,
2 from the proceeds of or accrued interest on the Bonds to be deposited into specified funds,
3 subfunds, accounts, and subaccounts. In the absence of such a determination and specification in
4 the Bond Resolution, the Director of Finance may make such determination and specification.

5 The City Council may, in the Bond Resolution, authorize the Director of Finance to serve
6 as its designated representative and to accept, on behalf of the City, an offer to purchase the
7 Bonds, which offer must be consistent with the terms of this ordinance and the Bond Resolution.
8 Any such authorization of the Director of Finance to accept an offer to purchase the Bonds must
9 also be consistent with terms for the bonds and/or parameters set forth in this ordinance and the
10 Bond Resolution.

11 **Section 5. Bond Registrar; Registration and Transfer of Bonds.**

12 (a) Registration of Bonds. The Bonds shall be issued only in registered form as to
13 both principal and interest and shall be recorded on the Bond Register.

14 (b) Bond Registrar; Transfer and Exchange of Bonds. The Bond Registrar shall keep,
15 or cause to be kept, sufficient books for the registration and transfer of the Bonds, which shall be
16 open to inspection by the City at all times. The Bond Register shall contain the name and
17 mailing address of the Registered Owner of each Bond and the principal amount and number of
18 each of the Bonds held by each Registered Owner.

19 The Bond Registrar is authorized, on behalf of the City, to authenticate and deliver Bonds
20 transferred or exchanged in accordance with the provisions of the Bonds and this ordinance, to
21 serve as the City's paying agent for the Bonds and to carry out all of the Bond Registrar's powers
22 and duties under this ordinance and the City's Registration Ordinance.

23 The Bond Registrar shall be responsible for its representations contained in the Bond
24 Registrar's Certificate of Authentication on the Bonds. The Bond Registrar may become either a
25 Registered or Beneficial Owner of Bonds with the same rights it would have if it were not the
26 Bond Registrar and, to the extent permitted by law, may act as depository for and permit any of
27

1 its officers or directors to act as members of, or in any other capacity with respect to, any
2 committee formed to protect the rights of Beneficial Owners.

3 Bonds surrendered to the Bond Registrar may be exchanged for Bonds in any Authorized
4 Denomination of an equal aggregate principal amount and of the same interest rate and maturity.
5 Bonds may be transferred only if endorsed in the manner provided thereon and surrendered to
6 the Bond Registrar. Any exchange or transfer shall be without cost to the owner or transferee.
7 The Bond Registrar shall not be obligated to exchange or transfer any Bond during the 15 days
8 preceding any principal payment or redemption date.

9 (c) Securities Depository; Book-Entry Form. The Bonds initially shall be registered
10 in the name of Cede & Co., as the nominee of the Securities Depository. The Bonds so registered
11 shall be held fully immobilized in book-entry form by the Securities Depository in accordance
12 with the provisions of the Letter of Representations. Neither the City nor the Bond Registrar
13 shall have any responsibility or obligation to participants of the Securities Depository or the
14 persons for whom they act as nominees with respect to the Bonds regarding accuracy of any
15 records maintained by the Securities Depository or its participants of any amount in respect of
16 principal of or interest on the Bonds, or any notice which is permitted or required to be given to
17 Registered Owners and/or Beneficial Owners hereunder (except such notice as is required to be
18 given by the Bond Registrar to the Securities Depository).

19 For as long as any Bonds are held in book-entry form, the Securities Depository shall be
20 deemed to be the Registered Owner for all purposes hereunder and all references to registered
21 owners, bondowners, bondholders or the like shall mean the Securities Depository and, except
22 for purposes of the City's undertaking to provide continuing disclosure, shall not mean the
23 Beneficial Owners. Registered ownership of such Bonds, or any portions thereof, may not
24 thereafter be transferred except: (i) to any successor Securities Depository; (ii) to any substitute
25 Securities Depository appointed by the City or such substitute Securities Depository's successor;
26 or (iii) to any person if the Bonds are no longer held in book-entry form.

1 the Bond Resolution or as the Bond Registrar shall determine) at par plus accrued interest on the
2 dates and in the years and principal amounts as set forth in the Bond Resolution.

3 If the City redeems Term Bonds under the optional redemption provisions set forth in the
4 Bond Resolution or purchases Term Bonds as set forth below, the Term Bonds so redeemed or
5 purchased (irrespective of their redemption or purchase prices) shall, unless provided for
6 otherwise in the Bond Resolution, be credited at the par amount thereof against the remaining
7 mandatory redemption requirements in a manner to be determined by the Director of Finance or,
8 if no such determination is made, on a pro-rata basis.

9 (c) **Partial Redemption.** Whenever less than all of the Bonds of a single maturity of
10 a series are to be redeemed, the Bond Registrar shall select the Bonds or portions thereof to be
11 redeemed from the Bonds of that maturity randomly, or in such other manner as set forth in the
12 Bond Resolution or as the Bond Registrar shall determine, except that, for so long as the Bonds
13 are registered in the name of the Securities Depository or its nominee, the Securities Depository
14 shall select the Bonds or portions thereof to be redeemed in accordance with the relevant Letter
15 of Representations.

16 Portions of the principal amount of any Bond, in Authorized Denominations, may be
17 redeemed, unless otherwise provided in the Bond Resolution. If less than all of the principal
18 amount of any Bond is redeemed, upon surrender of that Bond at the principal office of the Bond
19 Registrar, there shall be issued to the Registered Owner, without charge therefor, a new Bond (or
20 Bonds, at the option of the Registered Owner) of the same series, maturity, and interest rate in
21 any of the denominations authorized by the Bond Resolution in the aggregate total principal
22 amount remaining unredeemed.

23 (d) **Purchase.** The City reserves the right and option to purchase any or all of the
24 Bonds at any time at any price acceptable to the City plus accrued interest to the date of
25 purchase.

1 (e) **Bonds to be Canceled.** All Bonds purchased or redeemed under this Section
2 shall be canceled.

3 **Section 8. Notice of Redemption.** The City shall cause notice of any intended
4 redemption of Bonds to be given not less than 20 nor more than 60 days prior to the date fixed
5 for redemption by first-class mail, postage prepaid, to the Registered Owner of any Bond to be
6 redeemed at the address appearing on the Bond Register at the time the Bond Registrar prepares
7 the notice, and the requirements of this sentence shall be deemed to have been fulfilled when
8 notice has been mailed as so provided, whether or not it is actually received by the Registered
9 Owner of any Bond. Interest on Bonds called for redemption shall cease to accrue on the date
10 fixed for redemption unless the Bond or Bonds called are not redeemed when presented pursuant
11 to the call.

12 In the case of an optional redemption, the notice may state that the City retains the right
13 to rescind the redemption notice and the related optional redemption of Bonds by giving a notice
14 of rescission to the affected registered owners at any time prior to the scheduled optional
15 redemption date. Any notice of optional redemption that is so rescinded shall be of no effect,
16 and the Bonds for which the notice of optional redemption has been rescinded shall remain
17 outstanding.

18 **Section 9. Failure to Pay Bonds.** If any Bond is not paid when properly presented at its
19 maturity or call date, the City shall be obligated to pay interest on that Bond at the same rate
20 provided in that Bond from and after its maturity or call date until that Bond, principal, premium,
21 if any, and interest, is paid in full or until sufficient money for its payment in full is on deposit in
22 the Bond Fund and that Bond has been called for payment by giving notice of that call to the
23 Registered Owner of that Bond.

24 **Section 10. Form and Execution of Bonds.** The Bonds shall be typed, printed, or
25 reproduced in a form consistent with the provisions of this ordinance, the Bond Resolution, and
26 State law; shall be signed by the Mayor and Director of Finance, either or both of whose
27

1 signatures may be manual or in facsimile; and the seal of the City or a facsimile reproduction
2 thereof shall be impressed or printed thereon.

3 Only Bonds bearing a Certificate of Authentication in substantially the following form
4 (with the designation, year, and series of the Bonds adjusted consistent with this ordinance),
5 manually signed by the Bond Registrar, shall be valid or obligatory for any purpose or entitled to
6 the benefits of this ordinance:

7 CERTIFICATE OF AUTHENTICATION

8 This Bond is one of the fully registered The City of Seattle, Washington, Limited Tax
9 General Obligation Bonds, [Year] [Series], described in the Bond Ordinance.

10 BOND REGISTRAR

11 By _____
12 Authorized Signer

13 The authorized signing of a Certificate of Authentication shall be conclusive evidence
14 that the Bond so authenticated has been duly executed, authenticated, and delivered and is
15 entitled to the benefits of this ordinance.

16 If any officer whose facsimile signature appears on a Bond ceases to be an officer of the
17 City authorized to sign bonds before the Bond bearing his or her manual or facsimile signature is
18 authenticated or delivered by the Bond Registrar or issued by the City, that Bond nevertheless
19 may be authenticated, delivered, and issued and, when authenticated, issued, and delivered, shall
20 be as binding on the City as though that person had continued to be an officer of the City
21 authorized to sign bonds. Any Bond also may be signed on behalf of the City by any person
22 who, on the actual date of signing of the Bond, is an officer of the City authorized to sign bonds,
23 although he or she did not hold the required office on the date of issuance of the Bonds.

24 **Section 11. Pledge of Taxes.** For so long as any of the Bonds are outstanding, the City
25 irrevocably pledges to include in its budget and levy taxes annually within the constitutional and
26 statutory tax limitations provided by law without a vote of the electors of the City on all of the
27

1 taxable property within the City in an amount sufficient, together with other money legally
2 available and to be used therefor, to pay when due the principal of and interest on the Bonds, and
3 the full faith, credit, and resources of the City are pledged irrevocably for the annual levy and
4 collection of those taxes and the prompt payment of that principal and interest.

5 **Section 12. Preservation of Tax Exemption for Interest on Tax-Exempt Bonds.** The
6 City covenants that it will take all actions, consistent with the terms of the Tax-Exempt Bonds,
7 this ordinance, and the Bond Resolution, reasonably within its power and necessary to prevent
8 interest on the Tax-Exempt Bonds from being included in gross income for federal income tax
9 purposes, and the City will neither take any action nor make or permit any use of proceeds of the
10 Tax-Exempt Bonds or other funds of the City treated as gross proceeds of the Tax-Exempt
11 Bonds at any time during the term of the Tax-Exempt Bonds which will cause interest on the
12 Tax-Exempt Bonds to be included in gross income for federal income tax purposes.

13 **Section 13. Continuing Disclosure.** The City shall undertake to provide certain annual
14 financial information and operating data of the type included in the final official statement for
15 those Bonds, as well as disclosure of certain material events respecting the Bonds, in the manner
16 and to the extent required by United States Securities and Exchange Commission
17 Rule 15c2-12(b)(5). The particular terms of any such undertaking shall be set forth in the Bond
18 Resolution.

19 **Section 14. Refunding or Defeasance of the Bonds.** The Bonds are hereby designated
20 “Refundable Bonds” for purposes of Ordinance 121651. The City may issue refunding bonds
21 pursuant to the laws of the State or use money available from any other lawful source to pay
22 when due the principal of, premium, if any, and interest on the Bonds, or portion thereof
23 included in a refunding or defeasance plan, and to redeem and retire, release, refund, or defease
24 those Bonds (the “defeased Bonds”) and to pay the costs of such refunding or defeasance. If
25 money and/or government obligations (as that term is defined in RCW 39.53.010, as it now
26 exists or may hereafter be amended) maturing at a time or times and in an amount sufficient,
27

1 together with known earned income from the investment thereof, to redeem and retire, release,
2 refund, or defease the defeased Bonds in accordance with their terms, are set aside in a special
3 trust fund or escrow account irrevocably pledged to such redemption, retirement, or defeasance
4 (the “trust account”), then all right and interest of the owners of the defeased Bonds in the
5 covenants of this ordinance and in the net Revenue and the funds and accounts pledged to the
6 payment of such defeased Bonds, other than the right to receive the funds so set aside and
7 pledged, thereafter shall cease and become void. Such owners thereafter shall have the right to
8 receive payment of the principal of and interest or redemption price on the defeased Bonds from
9 the trust account. The City shall include in the refunding or defeasance plan such provisions as
10 the City deems necessary for the random selection of any defeased Bonds that constitute less
11 than all of a particular maturity of the Bonds, for notice of the defeasance to be given to the
12 Registered Owners of the defeased Bonds, and to such other persons as the City shall determine,
13 and for any required replacement of Bond certificates for defeased Bonds.

14 After the establishing and full funding of such a trust account, the defeased Bonds shall
15 be deemed as no longer outstanding, and the City then may apply any money in any other fund
16 or account established for the payment or redemption of the defeased Bonds to any lawful
17 purposes as it shall determine.

18 **Section 15. Sale of Bonds.** The Director of Finance may provide for the sale of each
19 series of the Bonds (or any portion thereof) by public sale or by a negotiated sale with an
20 underwriter or other financial institution chosen through a selection process acceptable to the
21 Director of Finance. The Director of Finance is authorized to specify a date and time of sale of
22 the Bonds, to give notice of that sale, to determine any bid requirements and criteria for
23 determining the award of the bid, to provide for the use of an electronic bidding mechanism, and
24 to specify other matters in his or her determination necessary, appropriate, or desirable to carry
25 out the sale of the Bonds. The terms of that sale shall be consistent with this ordinance and the
26 Bond Resolution and shall be confirmed by the Bond Resolution. The Bonds shall be delivered
27

1 to the purchasers as provided in the Bond Resolution immediately upon payment to the City of
2 the purchase price plus accrued interest, if any, to the date of closing in immediately available
3 federal funds in Seattle, Washington, at the City's expense or at another time or place upon
4 which the Director of Finance and the purchaser may mutually agree at the purchaser's expense.

5 If a series of Bonds is sold and issued as Tax Credit Subsidy Bonds, the Director of
6 Finance is hereby authorized on behalf of the City to take such actions as are necessary or
7 appropriate for the City to receive from the United States Treasury the applicable federal credit
8 payments in respect of such Bonds.

9 CUSIP numbers will be printed on the Bonds, unless they are not required by the
10 purchasers, but neither failure to print CUSIP numbers on any Bond nor error with respect
11 thereto shall constitute cause for a failure or refusal by the purchasers to accept delivery of and
12 pay for the Bonds in accordance with the purchase offer. All expenses in relation to the printing
13 of CUSIP numbers on the Bonds shall be paid by the City, but the fee of the CUSIP Service
14 Bureau for the assignment of those numbers shall be the responsibility of and shall be paid by the
15 purchasers.

16 The City will cause the Bonds to be prepared and executed in accordance with the
17 provisions of this ordinance, the Bond Resolution, and State law, and will obtain the approving
18 legal opinion of Bond Counsel.

19 **Section 16. Deposit and Use of Proceeds.** Unless provided otherwise in the Bond
20 Resolution, the principal proceeds and premium, if any, received from the sale and delivery of
21 the Bonds shall be paid into or allocated to the 2013 Multipurpose LTGO Bond Fund, which is
22 hereby created in the City Treasury, or in such other funds, accounts, or subaccounts of the City
23 Treasury as the Director of Finance may designate, and used to pay all or part of the costs of the
24 Projects and for other City purposes approved by ordinance. The Director of Finance may use
25 the principal proceeds and any premium to pay for costs of issuance and selling the Bonds, and
26 the Director of Finance also may incur and account for non-cash costs of issuance that are not
27

1 included as part of the bond proceeds and premium, including but not limited to any underwriters
2 discount.

3 The Director of Finance may (i) establish and transfer proceeds of the Bonds among
4 funds, accounts, or subaccounts in the City Treasury, or (ii) make interfund loans pursuant to
5 Seattle Municipal Code Section 5.06.030 to or from other City accounts or funds, all on terms he
6 or she may deem necessary, appropriate, or desirable to carry out the purposes of this ordinance
7 and consistent with the Bond Resolution. Enactment of this ordinance authorizes the transfer of
8 amounts from the 2013 Multipurpose LTGO Bond Fund to other funds in order to carry out the
9 purposes of this ordinance.

10 There previously has been created and established in the City Treasury the Bond Fund.
11 Accrued interest on the Bonds received from the sale and delivery of the Bonds, if any, together
12 with any net premium received from the sale and delivery of the Bonds that is not necessary to
13 pay the costs of the Projects or costs of issuance and sale of the Bonds, shall be paid or allocated
14 into the Bond Fund prior to the first debt service payment date with respect to those Bonds.
15 Until needed to pay the costs described herein, the City may invest principal proceeds of the
16 Bonds temporarily in any authorized investment, and the investment earnings shall be deposited
17 in such funds and accounts as may be designated by the Director of Finance. Earnings subject to
18 a federal tax or rebate requirement may be withdrawn from any such fund or account and used
19 for those tax or rebate purposes.

20 The Director of Finance may pay principal of and interest on the Bonds with any
21 proceeds of Bonds (including interest earnings thereon) remaining after paying the costs of the
22 Projects, costs of issuing and selling the Bonds, and for the other purposes set forth in this
23 section or otherwise approved by ordinance, or after the City Council has determined that the
24 expenditure of such Bond proceeds and premium for those purposes is no longer necessary or
25 appropriate.

1 All taxes allocated to the payment of the principal of and interest on the Bonds shall be
2 deposited in the Bond Fund.

3 **Section 17. General Authorization.** The Mayor and the Director of Finance and each
4 of the other appropriate officers of the City are each authorized and directed to do everything as
5 in their judgment may be necessary, appropriate, or desirable in order to carry out the terms and
6 provisions of, and complete the transactions contemplated by, this ordinance. In particular, and
7 without limitation, the Director of Finance may, in his or her discretion and without further
8 action by the City Council, (i) issue requests for proposals for underwriting or financing facilities
9 and execute engagement letters with underwriters, bond insurers or other financial institutions
10 based on responses to such requests, (ii) deem final and approve the distribution of any
11 preliminary official statement or official statement relating to the Bonds, (iii) comply with any
12 continuing disclosure requirements applicable to the Bonds, and (iv) change the Bond Registrar
13 or Securities Depository for the Bonds.

14 **Section 18. Severability.** The provisions of this ordinance are declared to be separate
15 and severable. If a court of competent jurisdiction, all appeals having been exhausted or all
16 appeal periods having run, finds any provision of this ordinance to be invalid or unenforceable as
17 to any person or circumstance, such offending provision shall, if feasible, be deemed to be
18 modified to be within the limits of enforceability or validity. However, if the offending
19 provision cannot be so modified, it shall be null and void with respect to the particular person or
20 circumstance, and all other provisions of this ordinance in all other respects, and the offending
21 provision with respect to all other persons and all other circumstances, shall remain valid and
22 enforceable.

23 **Section 19. Ratification of Prior Acts.** Any action taken consistent with the authority
24 of this ordinance, after its passage but prior to the effective date, is ratified, approved, and
25 confirmed.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

Section 20. Section Headings. The section headings in this ordinance are used for convenience only and shall not constitute a substantive portion of this ordinance.

Section 21. Effective Date. This ordinance shall take effect and be in force 30 days after its approval by the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it shall take effect as provided by Seattle Municipal Code Section 1.04.020.

Passed by the City Council the ____ day of _____, 2012, and signed by me in open session in authentication of its passage this ____ day of _____, 2012.

President _____ of the City Council

Approved by me this ____ day of _____, 2012.

Michael McGinn, Mayor

Filed by me this ____ day of _____, 2012.

Monica Martinez Simmons, City Clerk

(Seal)

Attachment

Exhibit A – Description of Projects