SEATTLE CITY COUNCIL

Legislative Summary

CB 118540

Record No.: CB 118540 **Type:** Ordinance (Ord) **Status:** Passed

Version: 1 124924 **In Control:** City Clerk

File Created: 09/15/2015

Final Action: 12/01/2015

Title: 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 costs of various elements of the City's capital improvement program and other City purposes approved by ordinance, to provide a contribution to the Pike Place Market Preservation and Development Authority for the financing of certain improvements, and to pay the costs of issuance of the bonds; providing for certain terms, conditions and covenants and the manner of sale of the bonds; amending Ordinance 123480 (as previously amended by Ordinance 124341 and Ordinance 124637); and ratifying and confirming certain prior acts.

Date

Notes:

Filed with City Clerk:

Mayor's Signature:

Sponsors: Licata

Vetoed by Mayor:

Veto Overridden:

Veto Sustained:

Attachments: Ex B – Form of Undertaking to Provide Continuing Disclosure, Ex C – Amended Exhibit A to Ordinance 123480

Drafter: adam.schaefer@seattle.gov

Filing Requirements/Dept Action:

History of Legislative File **Legal Notice Published:** ☐ Yes ☐ No

Version:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
1	Mayor	09/28/2015	Mayor's leg transmitted to Council	City Clerk			
	Action Text:	The Council Bill (CB) was Mayor's leg transmitted to Council. to the City Clerk					
	Notes:						
1	City Clerk	10/20/2015	sent for review	Budget Committee			
	Action Text:	The Council Bill (CB) was sent for review. to the Budget Committee					
	Notes:						
1	Full Council	10/26/2015	referred	Budget Committee			

Action Text: The Council Bill (CB) was referred. to the Budget Committee
Notes:

1 Budget Committee 11/16/2015 pass Pass

Action Text: The Committee recommends that Full Council pass the Council Bill (CB).
Notes:

In Favor: 7 Chair Licata, Member Bagshaw, Member Burgess, Member Godden, Member O'Brien, Member Rasmussen, Member Sawant
Opposed: 0
Absent(NV): 1 Okamoto

1 Full Council 11/23/2015 passed Pass

Action Text: The Council Bill (CB) was passed by the following vote and the President signed the Bill:
Notes:

In Favor: 9 Councilmember Bagshaw, Council President Burgess, Councilmember Godden, Councilmember Harrell, Councilmember Licata, Councilmember O'Brien, Okamoto, Councilmember Rasmussen, Councilmember Sawant
Opposed: 0

1 City Clerk 11/30/2015 submitted for Mayor's signature Mayor

Action Text: The Council Bill (CB) was submitted for Mayor's signature. to the Mayor
Notes:

1 Mayor 12/01/2015 Signed

Action Text: The Council Bill (CB) was Signed.
Notes:

1 Mayor 12/01/2015 returned City Clerk

Action Text: The Council Bill (CB) was returned. to the City Clerk
Notes:

1 City Clerk 12/01/2015 attested by City Clerk

Action Text: The Ordinance (Ord) was attested by City Clerk.
Notes:

CITY OF SEATTLE

ORDINANCE 124924

COUNCIL BILL 118540

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 costs of various elements of the City's capital improvement program and other City purposes approved by ordinance, to provide a contribution to the Pike Place Market Preservation and Development Authority for the financing of certain improvements, and to pay the costs of issuance of the bonds; providing for certain terms, conditions and covenants and the manner of sale of the bonds; amending Ordinance 123480 (as previously amended by Ordinance 124341 and Ordinance 124637); 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 $134.2 million; and

WHEREAS, pursuant to Ordinance 124737 of the City, passed on March 27, 2015, the City entered into the Development Agreement with Pike Place Market Preservation and Development Authority (the "Pike PDA"), which provides for, among other things, the City to make a grant of $34,000,000 for the development of certain portions of the projects known as Market Front/PC-1 North (including public parking and public plaza space), and the City previously funded the first portion of this grant contribution, in the amount of $28 million, through the issuance of limited tax general obligation bonds in 2015, and is in need of funds with which to fund the remaining portion of this grant contribution; 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; 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 of a Series.

"Beneficial Owner" means, with regard to a Bond, the owner of any beneficial interest in that Bond.

"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.

"Bond Fund" means the City's General Bond Interest and Redemption Fund, previously created by Ordinance 112112 and established and to be used for the payment of the principal of, premium, if any, and interest on the Bonds.

"Bond Purchase Contract" means a written offer to purchase a Series of the Bonds, which offer has been accepted by the City in accordance with this ordinance. In the case of a competitive sale, the official notice of sale, the Purchaser's bid and the award by the City shall comprise the offer, and the award by the City in accordance with this ordinance shall be deemed the acceptance of that offer, for purposes of this ordinance.

"Bond Register" means the books or records maintained by the Bond Registrar for the purpose of identifying ownership of each Bond.

"Bond Registrar" or **"Registrar"** means the Fiscal Agent of the State of Washington (unless the Bond Resolution provides for a different Bond Registrar with respect to a particular Series of the Bonds), or any successor bond registrar selected in accordance with the Registration Ordinance.

"Bond Resolution" means a resolution of the City Council adopted pursuant to this ordinance approving the Bond Sale Terms and taking other actions consistent with this ordinance.

"Bond Sale Terms" means the terms and conditions for the sale of a Series of the Bonds including the amount, date or dates, denominations, interest rate or rates (or mechanism for determining interest rate or rates), payment dates, final maturity, redemption rights, price, and other terms or covenants set forth in Section 4 of this ordinance.

"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.

"Fiscal Agent" means the fiscal agent of the State, as the same may be designated by the State from time to time.

"Government Obligations" has the meaning given in RCW 39.53.010, as now in effect or as may hereafter be amended.

"Issue Date" means, with respect to a Bond, the date, as determined by the Director of Finance, on which that Bond is issued and delivered to the Purchaser in exchange for its purchase price.

"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.

"MSRB" means the Municipal Securities Rulemaking Board.

"Omnibus Refunding Ordinance" means Ordinance 121651, as amended by Ordinance 122286, as amended and restated by Ordinance 124343, and as it may in the future be amended from time to time.

"Owner" means, without distinction, the Registered Owner and the Beneficial Owner of a Bond.

"PC-1N Project" means certain improvements to the Pike Place Market, as described in the agreement between the City and the Pike PDA entered into pursuant to Ordinance 124737 of the City, passed on March 27, 2015.

"Pike PDA" means the Pike Place Market Preservation and Development Authority, a public development authority of the City formed and operating under RCW 35.21.730, *et seq.*

"Pike PDA Contribution (PC-1N)" means the contribution of Bond proceeds to the Pike PDA to be used to undertake a portion of the PC-1N Project as described in, and in

accordance with the terms of, the agreement between the City and the Pike PDA entered into pursuant to Ordinance 124737 of the City, passed on March 27, 2015.

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

"Purchaser" means the entity or entities who have been selected in accordance with this ordinance to serve as underwriter, purchaser or successful bidder in a sale of any Series of the Bonds.

"Rating Agency" means any nationally recognized rating agency then maintaining a rating on a Series of the Bonds at the request of the City.

"Record Date" means, unless otherwise defined in the Bond Resolution, in the case of each interest or principal payment date, the Bond Registrar's close of business on the 15th day of the month preceding the interest or principal payment date. With regard to redemption of a Bond prior to its maturity, the Record Date shall mean the Bond Registrar's close of business on the day prior to the date on which the Bond Registrar sends the notice of redemption.

"Registered Owner" means, with regard to a Bond, the person in whose name that Bond is registered on the Bond Register. For so long as the City uses a book-entry only system under the Letter of Representations, the Registered Owner shall mean the Securities Depository.

"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.

"Rule 15c2-12" means Rule 15c2-12 promulgated by the SEC under the Securities Exchange Act of 1934, as amended.

"SEC" means the United States Securities and Exchange Commission.

"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.

"Series of the Bonds" or **"Series"** means a series of the Bonds issued pursuant to this ordinance.

"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 Bond" means any Bond, the interest on which is intended on the Issue Date to be excluded from gross income for federal income tax purposes.

"Term Bond" means any Bond that is issued subject to mandatory redemption prior to its maturity in periodic mandatory redemption payments in accordance with Section 7(b) of this ordinance.

"Undertaking" means the undertaking to provide continuing disclosure entered into pursuant to Section 14(c) of this ordinance, in substantially the form attached as Exhibit B.

Section 2. **<u>Authorization of Bonds</u>**. The City is authorized to borrow money on the credit of the City and issue limited tax general obligation bonds evidencing indebtedness in the maximum principal amount stated in Section 4 of this ordinance to pay all or part of the costs of various elements of the City's capital improvement program (which costs may include

capitalized interest, if necessary) and for other City purposes approved by ordinance, to pay all or a portion of the remaining amount of the Pike PDA Contribution (PC-1N), and to pay the costs of issuance of the Bonds. The Bonds may be issued in one or more Series and may be combined with other general obligation bonds (including refunding bonds) authorized separately. The Bonds shall be designated limited tax general obligation bonds and shall be numbered separately and shall have any name, year and series or other label as deemed necessary or appropriate by the Director of Finance.

Section 3. **Manner of Sale of Bonds**. The Director of Finance may provide for the sale of each Series of the Bonds (or any portion thereof) by public sale, or by a negotiated sale, limited offering or private placement with a Purchaser chosen through a selection process acceptable to the Director of Finance. The Director of Finance is authorized to specify a date and time of sale of and a date and time for delivery of each Series of the Bonds; to give notice of that sale; to determine any bid parameters or other bid requirements and criteria for determining the award of the bid; to provide for the use of an electronic bidding mechanism; and to specify other matters in his or her determination necessary, appropriate, or desirable in order to carry out the sale of each Series of the Bonds. Each Series of the Bonds must be sold on Bond Sale Terms in accordance with Section 4 of this ordinance.

Section 4. **Bond Sale Terms; Bond Resolution.** The Director of Finance is appointed to serve as the City's designated representative in connection with the issuance and sale of the Bonds in accordance with RCW 39.46.040(2) and this ordinance. The Director of Finance is authorized to accept, on behalf of the City, an offer to purchase the Bonds on Bond Sale Terms consistent with the parameters set forth in this section. No such acceptance shall be

effective until adoption of a Bond Resolution approving the Bond Sale Terms. Once adopted, the Bond Resolution shall be deemed a part of this ordinance as if set forth herein.

(a) Maximum Principal Amount. The Bonds may be issued in one or more Series and shall not exceed the aggregate principal amount of $134.2 million.

(b) Date or Dates. Each Bond shall be dated its Issue Date, as determined by the Director of Finance, which issue date may not be later than December 31, 2018.

(c) Denominations. The Bonds shall be issued in Authorized Denominations.

(d) Interest Rate(s); Payment Dates. Each Bond shall bear interest from the Issue Date or from the most recent date for which interest has been paid or duly provided for, whichever is later, and shall be payable on dates determined by the Director of Finance. One or more rates of interest shall be established for each maturity of each Series of the Bonds, which rate or rates may be fixed or variable. Fixed interest rates shall be computed on the basis of a 360-day year of twelve 30-day months and the net interest cost shall not exceed a weighted average rate of 10% per annum. Principal payments shall commence on a date and shall be payable at maturity or in mandatory redemption installments on dates determined by the Director of Finance.

(e) Final Maturity. The Bonds shall mature no later than 31 years after the Issue Date.

(f) Redemption Rights. The Bond Sale Terms may include provisions for the optional and mandatory redemption of Bonds determined by the Director of Finance, subject to the following:

(i) **Optional Redemption**. Any Bond may be designated as being (A) subject to redemption at the option of the City prior to its maturity date on the dates and at the

redemption prices set forth in the Bond Purchase Contract; or (B) not subject to redemption prior to its maturity date. If a Bond is subject to optional redemption prior to its maturity, it must be subject to such redemption on one or more dates occurring not more than 10½ years after the Issue Date.

(ii) **Mandatory Redemption**. Any Bond may be designated as a Term Bond, subject to mandatory redemption prior to its maturity consistent with Section 7(b) of this ordinance.

(g) Price. The purchase price for each Series of the Bonds shall be acceptable to the Director of Finance.

(h) Other Terms and Conditions.

(i) A Series of the Bonds may not be issued if it would cause the indebtedness of the City to exceed the City's legal debt capacity on the Issue Date of such Series.

(ii) On the Issue Date of each Series, the expected life of the capital facilities to be financed with the proceeds of that Series must exceed the maturity of the Bonds of that Series financing those capital facilities.

(iii) The Bond Sale Terms for any Series may provide for bond insurance or other credit enhancement, or for interest rate swaps, caps, floors or other similar hedging devices. To that end, the Bond Sale Terms may include such additional terms, conditions and covenants as may be necessary or desirable, including but not limited to restrictions on investment of Bond proceeds and pledged funds, and requirements to give notice to or obtain the consent of a credit enhancement provider or a counterparty to a swap, cap floor or other hedging device.

(iv) Any Series of the Bonds may be designated or qualified as Tax-Exempt Bonds or taxable bonds, or as Tax Credit Subsidy Bonds, and may include such additional terms

and covenants relating to federal tax matters as the Director of Finance deems necessary or appropriate, consistent with Section 12 of this ordinance.

Section 5. <u>Bond Registrar; Registration and Transfer of Bonds</u>.

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

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

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

The Bond Registrar shall be responsible for its representations contained in the Bond Registrar's certificate of authentication on the Bonds. The Bond Registrar may become either a Registered or Beneficial Owner of Bonds with the same rights it would have if it were not the Bond Registrar and, to the extent permitted by law, may act as depository for and permit any of its officers or directors to act as members of, or in any other capacity with respect to, any committee formed to protect the rights of Beneficial Owners.

Bonds surrendered to the Bond Registrar may be exchanged for Bonds in any Authorized Denomination of an equal aggregate principal amount and of the same Series, interest rate and maturity. Bonds may be transferred only if endorsed in the manner provided thereon and

surrendered to the Bond Registrar. Any exchange or transfer shall be without cost to the Owner or transferee. The Bond Registrar shall not be obligated to exchange or transfer any Bond during the period between the Record Date and the corresponding interest or principal payment date or redemption date.

(c) Securities Depository; Book-Entry Form. The Bonds initially shall be registered in the name of the Securities Depository. The Bonds so registered shall be held fully immobilized in book-entry form by the Securities Depository in accordance with the provisions of the Letter of Representations. Neither the City nor the Bond Registrar shall have any responsibility or obligation to participants of the Securities Depository or the persons for whom they act as nominees with respect to the Bonds regarding accuracy of any records maintained by the Securities Depository or its participants of any amount in respect of principal of or interest on the Bonds, or any notice which is permitted or required to be given to Registered Owners and/or Beneficial Owners hereunder (except such notice as is required to be given by the Bond Registrar to the Securities Depository). Registered ownership of a Bond initially held in book-entry form, or any portion thereof, may not be transferred except: (i) to any successor Securities Depository; (ii) to any substitute Securities Depository appointed by the City or such substitute Securities Depository's successor; or (iii) to any person if the Bond is no longer held in book-entry form.

Upon the resignation of the Securities Depository from its functions as depository, or upon a City determination to discontinue services of the Securities Depository, the City may appoint a substitute Securities Depository. If (i) the Securities Depository resigns from its functions as depository and no substitute Securities Depository can be obtained, or (ii) the City determines that the Bonds are to be in certificated form, then ownership of Bonds may be

transferred to any person as provided herein and the Bonds no longer shall be held in book-entry form.

Section 6. **Payment of Bonds**. Principal of and interest on each Bond shall be payable in lawful money of the United States of America. Principal of and interest on each Bond registered in the name of the Securities Depository is payable in the manner set forth in the Letter of Representations. Interest on each Bond not registered in the name of the Securities Depository is payable by electronic transfer on the interest payment date, or by check or draft of the Bond Registrar mailed on the interest payment date to the Registered Owner at the address appearing on the Bond Register on the Record Date. However, the City is not required to make electronic transfers except pursuant to a request by a Registered Owner in writing received at least ten days prior to the Record Date and at the sole expense of the Registered Owner. Principal of each Bond not registered in the name of the Securities Depository is payable upon presentation and surrender of the Bond by the Registered Owner to the Bond Registrar. The Bonds are not subject to acceleration under any circumstances.

Section 7. **Redemption and Purchase of Bonds**.

(a) **Optional Redemption**. All or some of the Bonds may be subject to redemption prior to their stated maturity dates at the option of the City at the times and on the terms approved in accordance with Section 4 of this ordinance.

(b) **Mandatory Redemption**. If not redeemed or purchased at the City's option prior to maturity, Term Bonds (if any) shall be redeemed, at a price equal to the principal amount thereof to be redeemed plus accrued interest, on the dates and in the years and principal amounts as set forth in the Bond Resolution. If the City redeems or purchases Term Bonds at the City's option prior to maturity, the Term Bonds so redeemed or purchased (irrespective of their

redemption or purchase prices) shall be credited at the par amount thereof against the remaining mandatory redemption requirements as determined by the Director of Finance. In the absence of a determination by the Director of Finance or other direction in the Bond Resolution, credit shall be allocated on a pro-rata basis.

(c) Selection of Bonds for Redemption; Partial Redemption. If fewer than all of the outstanding Bonds are to be redeemed at the option of the City, the Director of Finance shall select the Series and maturity or maturities to be redeemed. If fewer than all of the outstanding Bonds of a maturity of a Series are to be redeemed, the Securities Depository shall select Bonds registered in the name of the Securities Depository to be redeemed in accordance with the Letter of Representations, and the Bond Registrar shall select all other Bonds to be redeemed randomly in such manner as the Bond Registrar shall determine. All or a portion of the principal amount of any Bond that is to be redeemed may be redeemed in any Authorized Denomination. If less than all of the outstanding principal amount of any Bond is redeemed, upon surrender of that Bond to the Bond Registrar there shall be issued to the Registered Owner, without charge, a new Bond (or Bonds, at the option of the Registered Owner) of the same Series, maturity and interest rate in any Authorized Denomination in the aggregate principal amount to remain outstanding.

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

(e) Bonds to be Canceled. All Bonds purchased or redeemed under this section shall be canceled.

Section 8. <u>Notice of Redemption</u>. The City shall cause notice of any intended redemption of Bonds to be given not less than 20 nor more than 60 days prior to the date fixed

for redemption by first-class mail, postage prepaid, to the Registered Owner of any Bond to be redeemed at the address appearing on the Bond Register on the Record Date, and the requirements of this sentence shall be deemed to have been fulfilled when notice has been mailed as so provided, whether or not it is actually received by the Registered Owner of any Bond. Interest on Bonds called for redemption shall cease to accrue on the date fixed for redemption unless the Bond or Bonds called are not redeemed when presented pursuant to the call.

In the case of an optional redemption, the notice may state that the City retains the right to rescind the redemption notice and the related optional redemption of Bonds by giving a notice of rescission to the affected Registered Owners at any time prior to the scheduled optional redemption date. Any notice of optional redemption that is rescinded by the Director of Finance shall be of no effect, and the Bonds for which the notice of optional redemption has been rescinded shall remain outstanding.

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

Section 10. **Form and Execution of Bonds**. The Bonds shall be typed, printed, or reproduced in a form consistent with the provisions of this ordinance, the Bond Resolution, and State law; shall be signed by the Mayor and Director of Finance, either or both of whose signatures may be manual or in facsimile; and the seal of the City or a facsimile reproduction thereof shall be impressed or printed thereon.

Only Bonds bearing a certificate of authentication in substantially the following form (with the designation, year, and Series of the Bonds adjusted consistent with this ordinance), manually signed by the Bond Registrar, shall be valid or obligatory for any purpose or entitled to the benefits of this ordinance: "This Bond is one of the fully registered The City of Seattle, Washington, [Limited Tax General Obligation Bonds], [Year] [Series], described in [this ordinance]." The authorized signing of a certificate of authentication shall be conclusive evidence that the Bond so authenticated has been duly executed, authenticated, and delivered and is entitled to the benefits of this ordinance.

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

Section 11. **Pledge of Taxes**. For so long as any of the Bonds are outstanding, the City irrevocably pledges to include in its budget and levy taxes annually within the constitutional and statutory tax limitations provided by law without a vote of the electors of the City on all of the taxable property within the City in an amount sufficient, together with other money legally available and to be used therefor, to pay when due the principal of and interest on the Bonds, and

the full faith, credit, and resources of the City are pledged irrevocably for the annual levy and collection of those taxes and the prompt payment of that principal and interest.

Section 12. <u>Provisions Relating to Certain Federal Tax Consequences of the Bonds</u>.

(a) Tax-Exempt Bonds. The City covenants that it will take all actions, consistent with the terms of any Series of Tax-Exempt Bonds, this ordinance, and the Bond Resolution, reasonably within its power and necessary to prevent interest on those Tax-Exempt Bonds from being included in gross income for federal income tax purposes, and the City will neither take any action nor make or permit any use of proceeds of such Tax-Exempt Bonds or other funds of the City treated as gross proceeds of the Tax-Exempt Bonds at any time during the term of the Tax-Exempt Bonds that will cause interest on the Tax-Exempt Bonds to be included in gross income for federal income tax purposes. The City also covenants that it will, to the extent the arbitrage rebate requirement of Section 148 of the Code is applicable to any Tax-Exempt Bonds, take all actions necessary to comply (or to be treated as having complied) with that requirement in connection with the Tax-Exempt Bonds, including the calculation and payment of any penalties that the City has elected to pay as an alternative to calculating rebatable arbitrage, and the payment of any other penalties if required under Section 148 of the Code to prevent interest on such Tax-Exempt Bonds from being included in gross income for federal income tax purposes.

(b) Tax Credit Subsidy Bonds or other Taxable Bonds. The Director of Finance may, without further action by the Council, make provision in the Bonds or other written document for such additional covenants of the City as may be necessary or appropriate in order for the City to receive from the United States Treasury the applicable federal credit payments in

respect of any Series of the Bonds issued as Tax Credit Subsidy Bonds or otherwise become and remain eligible for tax benefits under the Code.

Section 13. **Refunding or Defeasance of the Bonds**. The Bonds are hereby designated "Refundable Bonds" for purposes of the Omnibus Refunding Ordinance. The City may issue refunding bonds pursuant to the laws of the State or use money available from any other lawful source to pay when due the principal of, premium, if any, and interest on any Bond, or portion thereof, included in a refunding or defeasance plan, and to redeem and retire, release, refund, or defease those Bonds (the "defeased Bonds") and to pay the costs of such refunding or defeasance. If money and/or Government Obligations maturing at a time or times and in an amount sufficient, together with known earned income from the investment thereof, to redeem and retire, release, refund, or defease the defeased Bonds in accordance with their terms, are set aside in a special trust fund or escrow account irrevocably pledged to such redemption, retirement, or defeasance (the "trust account"), then all right and interest of the owners of the defeased Bonds in the covenants of this ordinance and in the funds and accounts pledged to the payment of such defeased Bonds, other than the right to receive the funds so set aside and pledged, thereafter shall cease and become void. Such owners thereafter shall have the right to receive payment of the principal of and interest or redemption price on the defeased Bonds from the trust account. After establishing and fully funding such a trust account, the defeased Bonds shall be deemed as no longer outstanding, and the Director of Finance then may apply any money in any other fund or account established for the payment or redemption of the defeased Bonds to any lawful purposes. Notice of refunding or defeasance shall be given, and selection of Bonds for any partial refunding or defeasance shall be conducted, in the manner set forth in this ordinance for the redemption of Bonds.

Section 14. Official Statement; Continuing Disclosure.

(a) Preliminary Official Statement. The Director of Finance and other appropriate City officials are directed to cause the preparation of and review the form of a preliminary official statement in connection with the sale of one or more Series of the Bonds to the public. For the sole purpose of the Purchaser's compliance with paragraph (b)(1) of Rule 15c2-12, the Director of Finance is authorized to deem that preliminary official statement final as of its date, except for the omission of information permitted to be omitted by Rule 15c2-12. The City approves the distribution to potential purchasers of the Bonds of a preliminary official statement that has been deemed final in accordance with this subsection.

(b) Final Official Statement. The City approves the preparation of a final official statement for the sale of one or more Series of the Bonds to be sold to the public in the form of the preliminary official statement with such modifications and amendments as the Director of Finance deems necessary or desirable, and further authorizes the Director of Finance to execute and deliver such final official statement to the Purchaser. The City authorizes and approves the distribution by the Purchaser of that final official statement to purchasers and potential purchasers of the Bonds.

(c) Undertaking to Provide Continuing Disclosure. To meet the requirements of paragraph (b)(5) of Rule 15c2-12, as applicable to a participating underwriter for a Series of the Bonds, the Director of Finance is authorized to execute the Undertaking in substantially the form attached as Exhibit B.

Section 15. Deposit and Use of Proceeds. Unless provided otherwise in the Bond Resolution, the principal proceeds and premium, if any, received from the sale and delivery of the Bonds shall be paid into or allocated to the 2016 Multipurpose LTGO Bond Fund, which has

been created in the City Treasury pursuant to Ordinance 124823, or in such other funds, accounts, or subaccounts of the City Treasury as the Director of Finance may designate, and used for the purposes described in Section 2. The Director of Finance may use the principal proceeds and any premium to pay for costs of issuance of the Bonds, and the Director of Finance also may incur and account for non-cash costs of issuance that are not included as part of the bond proceeds and premium, including but not limited to any underwriter's discount.

The Director of Finance may (i) establish and transfer proceeds of the Bonds among funds, accounts, or subaccounts in the City Treasury, or (ii) make interfund loans pursuant to Seattle Municipal Code Section 5.06.030 to or from other City accounts or funds, all on terms he or she may deem necessary, appropriate, or desirable to carry out the purposes of this ordinance and consistent with the Bond Resolution. Enactment of this ordinance authorizes the transfer of amounts from the 2016 Multipurpose LTGO Bond Fund to other funds in order to carry out the purposes of this ordinance.

There previously has been created and established in the City Treasury the Bond Fund. Accrued interest on the Bonds received from the sale and delivery of the Bonds, if any, together with any net premium received from the sale and delivery of the Bonds that is not necessary for the purposes described in Section 2 shall be paid or allocated into the Bond Fund prior to the first debt service payment date with respect to those Bonds. Until needed to pay the costs described herein, the City may invest principal proceeds of the Bonds temporarily in any authorized investment, and the investment earnings shall be deposited in such funds and accounts as may be designated by the Director of Finance. Earnings subject to a federal tax or rebate requirement may be withdrawn from any such fund or account and used for those tax or rebate purposes.

The Director of Finance may pay principal of and interest on the Bonds with any proceeds of Bonds (including interest earnings thereon) remaining after applying such proceeds to the purposes set forth in Section 2, or after the City Council has determined that the expenditure of such Bond proceeds for those purposes is no longer necessary or appropriate.

Section 16. **General Authorization**. In addition to the specific authorizations in this ordinance, the Mayor and the Director of Finance and each of the other appropriate officers of the City are each authorized and directed to do everything as in his or her judgment may be necessary, appropriate, or desirable in order to carry out the terms and provisions of, and complete the transactions contemplated by, this ordinance. In particular and without limiting the foregoing:

(a) the Director of Finance may, in his or her discretion and without further action by the City Council, (i) issue requests for proposals for underwriting or financing facilities and execute engagement letters with underwriters, bond insurers or other financial institutions based on responses to such requests, (ii) change the Bond Registrar or Securities Depository for the Bonds; and (iii) take such actions on behalf of the City as are necessary or appropriate for the City to designate, qualify or maintain the tax-exempt treatment with respect to any Series issued as Tax-Exempt Bonds, to receive from the United States Treasury the applicable federal credit payments in respect of any Series issued as Tax Credit Subsidy Bonds and to otherwise receive any other federal tax benefits relating to the Bonds that available to the City; and

(b) each of the Mayor and the Director of Finance is separately authorized to (i) execute and deliver any and all contracts or other documents as are consistent with this ordinance and for which the City's approval is necessary or to which the City is a party (including but not limited to agreements with escrow agents, refunding trustees, liquidity or credit support providers, bond

insurers, remarketing agents, underwriters, lenders, fiscal agents, counterparties to interest rate swap, cap, floor; or similar agreements, custodians, and the Bond Registrar); (ii) negotiate, execute and deliver any and all additional contracts or other documents in form and substance acceptable to the Mayor and Director of Finance, in order to pay the remaining portion of the Pike PDA Contribution (PC-1N), and (iii) execute and deliver such other contracts or documents incidental to the issuance and sale of a Series of the Bonds; the establishment of the initial interest rate or rates on a Bond; or the tender, purchase, remarketing, or redemption of a Bond, as may in his or her judgment be necessary or appropriate.

Section 17. **Amendment of Ordinance 123480.** Ordinance 123480, as amended by Ordinance 124341 and further amended by Ordinance 124637, authorized issuance of the City's Limited Tax General Obligation Improvement Bonds, 2011 (the "2011 Bonds"), and provided that proceeds of the 2011 Bonds would be used to carry out the costs of projects specified in Exhibit A to that ordinance, as well as other projects authorized by ordinance. Exhibit A to Ordinance 123480, as amended by Ordinance 124341 and Ordinance 124637, is further amended to read as set forth in Exhibit C, attached hereto and by this reference made a part hereof.

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

provision with respect to all other persons and all other circumstances, shall remain valid and enforceable.

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

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 23rd day of NOVEMBER, 2015, and signed by me in open session in authentication of its passage this 23rd day of NOVEMBER, 2015.

President _____ of the City Council

Approved by me this 1st day of December, 2015.

Edward B. Murray, Mayor

Filed by me this 1st day of December, 2015.

Monica Martinez Simmons, City Clerk

(Seal)

1 Exhibits:

2 Exhibit A – Description of 2016 Projects

3 Exhibit B – Form of Undertaking to Provide Continuing Disclosure

4 Exhibit C – Amendment to Exhibit A of Ordinance 123480

EXHIBIT A

DESCRIPTION OF PROJECTS

Description	Approximate Principal Amount
Pike Place Market PC1-N	6,000,000
Parking Pay Stations	9,086,000
Alaska Way Corridor (GF)	5,000,000
Financial IT Upgrades Depts. (GF)	4,487,111
23rd Ave. Corridor (CPT-10%)	7,927,487
Seawall (CPT-2.5%)	25,000,000
Transit Corridor	973,000
Seawall (CPT-2.5%)	8,413,000
Alaska Way Corridor (CPT-2.5%)	13,721,000
Fire Stations	10,888,795
Fire Station 5	2,000,000
North Precinct	5,500,000
Financial IT Upgrades (FAS)	26,693,470
SMT IDF Server Closets	2,500,000
Data Center Long	2,100,000
Issuance Costs and Pricing Adjustments	3,908,696
Total	134,198,559

EXHIBIT B

FORM OF UNDERTAKING TO PROVIDE CONTINUING DISCLOSURE

The City of Seattle, Washington (the "City"), makes the following written undertaking (the "Undertaking") for the benefit of the holders of the City's [Limited Tax General Obligation Bonds, 2016][Series Designation] (the "Bonds"), for the sole purpose of assisting the Purchaser in meeting the requirements of paragraph (b)(5) of Rule 15c2-12, as applicable to a participating underwriter for the Bonds. Capitalized terms used but not defined below shall have the meanings given in Ordinance _____ and Resolution _____ (together, the "Bond Legislation").

(a) Undertaking to Provide Annual Financial Information and Notice of Listed Events. The City undertakes to provide or cause to be provided, either directly or through a designated agent, to the Municipal Securities Rulemaking Board (the "MSRB"), in an electronic format as prescribed by the MSRB, accompanied by identifying information as prescribed by the MSRB, the following information:

(i) Annual financial information and operating data of the type included in the final official statement for the Bonds and described in subsection (b) of this section ("annual financial information");

(ii) Timely notice (not in excess of 10 business days after the occurrence of the event) of the occurrence of any of the following events with respect to the Bonds: (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notice of Proposed Issue (IRS Form 5701 – TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds; (7) modifications to rights of holders of the Bonds, if material; (8) Bond calls (other than scheduled mandatory redemptions of Term Bonds), if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Bonds, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership or similar event of the City, as such "Bankruptcy Events" are defined in Rule 15c2-12; (13) the consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and (14) appointment of a successor or additional trustee or the change of name of a trustee, if material; and

(iii) Timely notice of a failure by the City to provide required annual financial information on or before the date specified in subsection (b) of this section.

(b) Type of Annual Financial Information Undertaken to be Provided. The annual financial information that the City undertakes to provide in subsection (a) of this section:

(i) Shall consist of (1) annual financial statements of the City prepared in accordance with generally accepted accounting principles applicable to governmental units (except as otherwise noted herein), as such principles may be changed from time to time and as permitted by State of Washington (the "State") law, which financial statements will not be audited, except, that if and when audited financial statements are otherwise prepared and available to the City they will be provided; (2) a statement of outstanding general obligation debt of the City; (3) the assessed value of the property within the City subject to ad valorem taxation; and (4) ad valorem tax levy rates and amounts and percentages of taxes collected;

(ii) Shall be provided not later than the last day of the ninth month after the end of each fiscal year of the City (currently, a fiscal year ending December 31), as such fiscal year may be changed as required or permitted by State law, commencing with the City's fiscal year ending December 31, 20__; and

(iii) May be provided in a single or multiple documents, and may be incorporated by specific reference to documents available to the public on the Internet website of the MSRB or filed with the United States Securities and Exchange Commission.

(c) Amendment of Undertaking. The Undertaking is subject to amendment after the primary offering of the Bonds without the consent of any holder of any Bond, or of any broker, dealer, municipal securities dealer, participating underwriter, rating agency or the MSRB, under the circumstances and in the manner permitted by Rule 15c2-12. The City will give notice to the MSRB of the substance (or provide a copy) of any amendment to the Undertaking and a brief statement of the reasons for the amendment. If the amendment changes the type of annual financial information to be provided, the annual financial information containing the amended financial information will include a narrative explanation of the effect of that change on the type of information to be provided.

(d) Beneficiaries. The Undertaking evidenced by this section shall inure to the benefit of the City and any holder of Bonds, and shall not inure to the benefit of or create any rights in any other person.

(e) Termination of Undertaking. The City's obligations under this Undertaking shall terminate upon the legal defeasance, prior redemption, or payment in full of all of the outstanding Bonds. In addition, the City's obligations under this Undertaking shall terminate if those provisions of Rule 15c2-12 which require the City to comply with this Undertaking become legally inapplicable in respect of the Bonds for any reason, as confirmed by an opinion of nationally recognized bond counsel or other counsel familiar with federal securities laws delivered to the City, and the City provides timely notice of such termination to the MSRB.

(f) Remedy for Failure to Comply with Undertaking. As soon as practicable after the City learns of any failure to comply with the Undertaking, the City will proceed with due diligence to cause such noncompliance to be corrected. No failure by the City or other obligated person to comply with the Undertaking shall constitute a default in respect of the Bonds. The

sole remedy of any Beneficial Owner of a Bond shall be to take such actions as that Beneficial Owner deems necessary, including seeking an order of specific performance from an appropriate court, to compel the City or other obligated person to comply with the Undertaking.

(g) Designation of Official Responsible to Administer Undertaking. The Director of Finance of the City (or such other officer of the City who may in the future perform the duties of that office) or his or her designee is the person designated, in accordance with the Bond Legislation, to carry out the Undertaking of the City in respect of the Bonds set forth in this section and in accordance with Rule 15c2-12, including, without limitation, the following actions:

(i) Preparing and filing the annual financial information undertaken to be provided;

(ii) Determining whether any event specified in subsection (a) has occurred, assessing its materiality, where necessary, with respect to the Bonds, and preparing and disseminating any required notice of its occurrence;

(iii) Determining whether any person other than the City is an "obligated person" within the meaning of Rule 15c2-12 with respect to the Bonds, and obtaining from such person an undertaking to provide any annual financial information and notice of listed events for that person in accordance with Rule 15c2-12;

(iv) Selecting, engaging and compensating designated agents and consultants, including but not limited to financial advisors and legal counsel, to assist and advise the City in carrying out the Undertaking; and

(v) Effecting any necessary amendment of the Undertaking.

EXHIBIT C

AMENDED EXHIBIT A TO ORDINANCE 123480
(as amended by Ordinance 124341 and Ordinance 124637)

DESCRIPTION OF PROJECTS*

Description	Approximate Principal Amount
Bridge Rehabilitation (BTG)	$ 3,600,758
Bridge Seismic (BTG)	10,192,242
King Street Station (BTG)	4,011,000
Spokane Street Viaduct (BTG)	1,153,341
Seawall	12,400,000
AWV – Parking & Program Management	2,500,000
Mercer West	13,073,000
Golf	4,148,723
Pike Place Market	10,681,619
Facility Energy Retrofits	1,770,000
Rainier Beach Community Center	4,500,000
Seattle Center	3,400,000
Arterial Asphalt and Concrete (Northgate)	((~~5,215,491~~)) 5,250,491
Chesiahud Lake Union Trail	1,200,000
Linden Avenue North Complete Streets	((~~1,490,168~~)) 1,455,168
Pedestrian Master Plan Implementation	1,191,000
23rd Avenue Corridor	5,622,000
Issuance Costs and Pricing Adjustments	2,584,480
Total	$88,733,822

*Includes issuance costs and pricing adjustments

STATE OF WASHINGTON -- KING COUNTY

--ss.

331453

No. 124921,922,923,924,925,26

CITY OF SEATTLE,CLERKS OFFICE

Affidavit of Publication

The undersigned, on oath states that he is an authorized representative of The Daily Journal of Commerce, a daily newspaper, which newspaper is a legal newspaper of general circulation and it is now and has been for more than six months prior to the date of publication hereinafter referred to, published in the English language continuously as a daily newspaper in Seattle, King County, Washington, and it is now and during all of said time was printed in an office maintained at the aforesaid place of publication of this newspaper. The Daily Journal of Commerce was on the 12th day of June, 1941, approved as a legal newspaper by the Superior Court of King County.

The notice in the exact form annexed, was published in regular issues of The Daily Journal of Commerce, which was regularly distributed to its subscribers during the below stated period. The annexed notice, a

CT:TITLE ONLY ORDINANCES

was published on

12/15/15

The amount of the fee charged for the foregoing publication is the sum of $108.50 which amount has been paid in full.

MELISSA M. DOWD
STATE OF WASHINGTON
NOTARY PUBLIC
MY COMMISSION EXPIRES
11-21-19

Subscribed and sworn to before me on

12/15/2015

Notary public for the State of Washington,
residing in Seattle

Affidavit of Publication

State of Washington, King County

City of Seattle

Title Only Ordinances

The full text of the following legislation, passed by the City Council on November 23, 2015, and published below by title only, will be mailed upon request, or can be accessed at http://clerk.seattle.gov. For information on upcoming meetings of the Seattle City Council, please visit http://www.seattle.gov/council/calendar. Document Type Contact: Office of the City Clerk at (206) 684-8344.

Ordinance 124921

AN ORDINANCE relating to financial management practices; amending Section 5.08.020 of the Seattle Municipal Code and repealing Section 5.08.026 and Chapter 5.33 of the Seattle Municipal Code.

Ordinance 124922

AN ORDINANCE relating to jail services; authorizing the Mayor to execute an Interlocal Agreement with Snohomish County for the provision of Jail Services; and ratifying and confirming certain prior acts.

Ordinance 124923

AN ORDINANCE relating to pet licensing; adjusting cat and dog license fees; and amending Section 9.26.020 of the Seattle Municipal Code.

Ordinance 124924

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 costs of various elements of the City's capital improvement program and other City purposes approved by ordinance, to provide a contribution to the Pike Place Market Preservation and Development Authority for the financing of certain improvements, and to pay the costs of issuance of the bonds; providing for certain terms, conditions and covenants and the manner of sale of the bonds; amending Ordinance 123480 (as previously amended by Ordinance 124341 and Ordinance 124637); and ratifying and confirming certain prior acts.

Ordinance 124925

AN ORDINANCE relating to the Haller Lake Improvements project in the Department of Finance and Administrative Services; establishing the 2017 Multipurpose LTGO Bond Fund; authorizing the loan of funds from the City's Consolidated (Residual) Cash Pool, or its participating funds, in the amount of $1,500,000, to the 2017 Multipurpose LTGO Bond Fund for bridge financing of the Haller Lake Improvements project; and ratifying and confirming certain prior acts; all by a 3/4 vote of the City Council.

Ordinance 124926

AN ORDINANCE relating to the Joint Training Facility Project; amending Ordinance 121179, as last amended by Ordinance 124638, to change the terms of the outstanding interfund loan.

Date of publication in the Seattle Daily Journal of Commerce, December 15, 2015.

12/15(331453)