

**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 costs of various elements of the City’s capital improvement program and other City purposes approved by ordinance, to refinance certain outstanding bonds of the Pike Place Market Preservation and Development Authority and the Seattle Chinatown-International District Preservation and Development Authority, to carry out certain improvements to Benaroya Hall, 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; creating a bond fund; amending Ordinance 122553, Ordinance 123156, Ordinance 123480, Ordinance 123751 and Ordinance 124053; 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 \$93.5 million; and

WHEREAS, the City has determined that it is in its best interest to refinance the outstanding Special Obligation Revenue Refunding Bonds, 2002 of the Pike Place Market Preservation and Development Authority (the “Pike PDA”) in order to reduce the Pike PDA’s borrowing costs; and

WHEREAS, the City has determined that it is in its best interest to refinance the outstanding Special Obligation Refunding Bonds, Series 2007 of the Seattle Chinatown-International District Preservation and Development Authority (“SCIDPDA”) to reduce SCIDPDA’s borrowing costs; and

WHEREAS, the City has determined that it is in its best interest to carry out certain improvements to Benaroya Hall (the “BHMC Projects”), the costs of which are expected to be repaid from concession contract payments received by the City from the Benaroya Hall Music Center (“BHMC”); 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.

**“BHMC”** means Benaroya Hall Music Center, a Washington nonprofit corporation.

**“BHMC Project”** means the acquisition of fixtures, equipment and other assets to improve Benaroya Hall.

**“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

1 Series of the Bonds), or any successor bond registrar selected in accordance with the Registration  
2 Ordinance.

3 **“Bond Resolution”** means a resolution of the City Council adopted pursuant to this  
4 ordinance approving the Bond Sale Terms and taking other actions consistent with this  
5 ordinance.

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

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

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

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

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

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

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

22 **“Fiscal Agent”** means the fiscal agent of the State, as the same may be designated by the  
23 State from time to time.

24 **“Government Obligations”** has the meaning given in RCW 39.53.010, as now in effect  
25 or as may hereafter be amended.



1 close of business on the day prior to the date on which the Bond Registrar sends the notice of  
2 redemption.

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

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

9 **“Rule 15c2-12”** means Rule 15c2-12 promulgated by the SEC under the Securities  
10 Exchange Act of 1934, as amended.

11 **“SCIDPDA”** means the Seattle Chinatown-International District Preservation and  
12 Development Authority, a public development authority of the City formed and operating under  
13 RCW 35.21.730, et seq.

14 **“SCIDPDA Refunding”** means the loan or other transfer of Bond proceeds from the City  
15 to SCIDPDA for the redemption and retirement of all or a portion of the outstanding SCIDPDA  
16 Special Obligation Refunding Bonds, Series 2007.

17 **“SEC”** means the United States Securities and Exchange Commission.

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

22 **“Series of the Bonds”** or **“Series”** means a series of the Bonds issued pursuant to this  
23 ordinance.

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

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

5 “**Tax-Exempt Bond**” means any Bond, the interest on which is intended on the Issue  
6 Date to be excluded from gross income for federal income tax purposes.

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

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

12 **Section 2. Authorization of Bonds.** The City is authorized to borrow money on the  
13 credit of the City and issue limited tax general obligation bonds evidencing indebtedness in the  
14 maximum principal amount stated in Section 4 of this ordinance to pay all or part of the costs of  
15 various elements of the City’s capital improvement program (which costs may include  
16 capitalized interest, if necessary) and other City purposes approved by ordinance, to carry out the  
17 Pike PDA Refunding and the SCIDPDA Refunding, to pay the costs of the BHMC Projects, and  
18 to pay the costs of issuance of the Bonds. The Bonds may be issued in one or more Series and  
19 may be combined with other general obligation bonds (including refunding bonds) authorized  
20 separately. The Bonds shall be designated limited tax general obligation bonds and shall be  
21 numbered separately and shall have any name, year and series or other label as deemed necessary  
22 or appropriate by the Director of Finance.

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

7 **Section 4. Bond Sale Terms; Bond Resolution.** The Director of Finance is  
8 appointed to serve as the City's designated representative in connection with the issuance and  
9 sale of the Bonds in accordance with RCW 39.46.040(2) and this ordinance. The Director of  
10 Finance is authorized to accept, on behalf of the City, an offer to purchase the Bonds on Bond  
11 Sale Terms consistent with the parameters set forth in this section. No such acceptance shall be  
12 effective until adoption of a Bond Resolution approving the Bond Sale Terms. Once adopted, the  
13 Bond Resolution shall be deemed a part of this ordinance as if set forth herein.

14 (a) **Maximum Principal Amount.** The Bonds may be issued in one or more Series  
15 and shall not exceed the aggregate principal amount of \$93.5 million.

16 (b) **Date or Dates.** Each Bond shall be dated its Issue Date, as determined by the  
17 Director of Finance, which issue date may not be later than December 31, 2016.

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

19 (d) **Interest Rate(s); Payment Dates.** Each Bond shall bear interest from the Issue  
20 Date or from the most recent date for which interest has been paid or duly provided for,  
21 whichever is later, and shall be payable on dates determined by the Director of Finance. One or  
22 more rates of interest shall be established for each maturity of each Series of the Bonds, which  
23 rate or rates may be fixed or variable. Fixed interest rates shall be computed on the basis of a  
24 360-day year of twelve 30-day months and the net interest cost shall not exceed a weighted  
25 average rate of 10% per annum. Principal payments shall commence on a date and shall be  
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1 payable at maturity or in mandatory redemption installments on dates determined by the Director  
2 of Finance.

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

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

8 (i) **Optional Redemption.** Any Bond may be designated as being (A) subject to  
9 redemption at the option of the City prior to its maturity date on the dates and at  
10 the redemption prices set forth in the Bond Purchase Contract; or (B) not subject  
11 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.

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

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

16 (h) **Other Terms and Conditions.**

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

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

21 (iii) The Bond Sale Terms for any Series may provide for bond insurance or other  
22 credit enhancement, or for interest rate swaps, caps, floors or other similar  
23 hedging devices. To that end, the Bond Sale Terms may include such additional  
24 terms, conditions and covenants as may be necessary or desirable, including but  
25 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.

26 (iv) Any Series of the Bonds may be designated or qualified as Tax-Exempt Bonds,  
27 Tax Credit Subsidy Bonds, or other taxable bonds, and may include such  
28 additional terms and covenants relating to federal tax matters as the Director of

1 Finance deems necessary or appropriate, consistent with Section 12 of this  
2 ordinance.

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

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

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

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

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

21 Bonds surrendered to the Bond Registrar may be exchanged for Bonds in any Authorized  
22 Denomination of an equal aggregate principal amount and of the same Series, interest rate and  
23 maturity. Bonds may be transferred only if endorsed in the manner provided thereon and  
24 surrendered to the Bond Registrar. Any exchange or transfer shall be without cost to the Owner  
25 or transferee. The Bond Registrar shall not be obligated to exchange or transfer any Bond during  
26 the period between the Record Date and the corresponding interest payment or redemption date.

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

15           Upon the resignation of the Securities Depository from its functions as depository, or  
16 upon a City determination to discontinue services of the Securities Depository, the City may  
17 appoint a substitute Securities Depository. If (i) the Securities Depository resigns from its  
18 functions as depository, and no substitute Securities Depository can be obtained, or (ii) the City  
19 determines that the Bonds are to be in certificated form, then ownership of Bonds may be  
20 transferred to any person as provided herein and the Bonds no longer shall be held in book-entry  
21 form.

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

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

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

12 **(b) Mandatory Redemption.** If not redeemed or purchased at the City's option prior  
13 to maturity, Term Bonds (if any) shall be redeemed, at a price equal to the principal amount  
14 thereof to be redeemed plus accrued interest, on the dates and in the years and principal amounts  
15 as set forth in the Bond Resolution. If the City redeems or purchases Term Bonds at the City's  
16 option prior to maturity, the Term Bonds so redeemed or purchased (irrespective of their  
17 redemption or purchase prices) shall be credited at the par amount thereof against the remaining  
18 mandatory redemption requirements as determined by the Director of Finance. In the absence of  
19 a determination by the Director of Finance or other direction in the Bond Resolution, credit shall  
20 be allocated on a pro-rata basis.

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

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

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

12 **Section 8. Notice of Redemption.** The City shall cause notice of any intended  
13 redemption of Bonds to be given not less than 20 nor more than 60 days prior to the date fixed  
14 for redemption by first-class mail, postage prepaid, to the Registered Owner of any Bond to be  
15 redeemed at the address appearing on the Bond Register on the Record Date, and the  
16 requirements of this sentence shall be deemed to have been fulfilled when notice has been mailed  
17 as so provided, whether or not it is actually received by the Registered Owner of any Bond.  
18 Interest on Bonds called for redemption shall cease to accrue on the date fixed for redemption  
19 unless the Bond or Bonds called are not redeemed when presented pursuant to the call.

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

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

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

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

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

3           **Section 11. Pledge of Taxes.** For so long as any of the Bonds are outstanding, the  
4 City irrevocably pledges to include in its budget and levy taxes annually within the constitutional  
5 and statutory tax limitations provided by law without a vote of the electors of the City on all of  
6 the taxable property within the City in an amount sufficient, together with other money legally  
7 available and to be used therefor, to pay when due the principal of and interest on the Bonds, and  
8 the full faith, credit, and resources of the City are pledged irrevocably for the annual levy and  
9 collection of those taxes and the prompt payment of that principal and interest.

10           **Section 12. Provisions Relating to Certain Federal Tax Consequences of the**  
11 **Bonds.**

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

1           **(b) Tax-Credit Subsidy Bonds or other Taxable Bonds.** The Director of Finance  
2 may, without further action by the Council, make provision in the Bonds or other written  
3 document for such additional covenants of the City as may be necessary or appropriate in order  
4 for the City to receive from the United States Treasury the applicable federal credit payments in  
5 respect of any Series of the Bonds issued as Tax Credit Subsidy Bonds or otherwise become and  
6 remain eligible for tax benefits under the Code.

7           **Section 13. Refunding or Defeasance of the Bonds.** The Bonds are hereby  
8 designated “Refundable Bonds” for purposes of Ordinance 121651, as it may be amended from  
9 time to time. The City may issue refunding bonds pursuant to the laws of the State or use money  
10 available from any other lawful source to pay when due the principal of, premium, if any, and  
11 interest on any Bond, or portion thereof, included in a refunding or defeasance plan, and to  
12 redeem and retire, release, refund, or defease those Bonds (the “defeased Bonds”) and to pay the  
13 costs of such refunding or defeasance. If money and/or Government Obligations maturing at a  
14 time or times and in an amount sufficient, together with known earned income from the  
15 investment thereof, to redeem and retire, release, refund, or defease the defeased Bonds in  
16 accordance with their terms, are set aside in a special trust fund or escrow account irrevocably  
17 pledged to such redemption, retirement, or defeasance (the “trust account”), then all right and  
18 interest of the owners of the defeased Bonds in the covenants of this ordinance and in the funds  
19 and accounts pledged to the payment of such defeased Bonds, other than the right to receive the  
20 funds so set aside and pledged, thereafter shall cease and become void. Such owners thereafter  
21 shall have the right to receive payment of the principal of and interest or redemption price on the  
22 defeased Bonds from the trust account. After establishing and fully funding such a trust account,  
23 the defeased Bonds shall be deemed as no longer outstanding, and the Director of Finance then  
24 may apply any money in any other fund or account established for the payment or redemption of  
25 the defeased Bonds to any lawful purposes. Notice of refunding or defeasance shall be given, and  
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1 selection of Bonds for any partial refunding or defeasance shall be conducted, in the manner set  
2 forth in this ordinance for the redemption of Bonds.

3 **Section 14. Official Statement; Continuing Disclosure.**

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

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

19 **(c) Undertaking to Provide Continuing Disclosure.** To meet the requirements of  
20 paragraph (b)(5) of Rule 15c2-12, as applicable to a participating underwriter for a Series of the  
21 Bonds, the Director of Finance is authorized to execute a written undertaking to provide  
22 continuing disclosure for the benefit of holders of those Bonds in substantially the form attached  
23 as Exhibit B.

24 **Section 15. Deposit and Use of Proceeds.** Unless provided otherwise in the Bond  
25 Resolution, the principal proceeds and premium, if any, received from the sale and delivery of  
26 the Bonds shall be paid into or allocated to the 2014 Multipurpose LTGO Bond Fund, which is  
27

1 hereby created in the City Treasury, or in such other funds, accounts, or subaccounts of the City  
2 Treasury as the Director of Finance may designate, and used for the purposes described in  
3 Section 2. The Director of Finance may use the principal proceeds and any premium to pay for  
4 costs of issuance of the Bonds, and the Director of Finance also may incur and account for non-  
5 cash costs of issuance that are not included as part of the bond proceeds and premium, including  
6 but not limited to any underwriters discount.

7         The Director of Finance may (i) establish and transfer proceeds of the Bonds among  
8 funds, accounts, or subaccounts in the City Treasury, or (ii) make interfund loans pursuant to  
9 Seattle Municipal Code Section 5.06.030 to or from other City accounts or funds, all on terms he  
10 or she may deem necessary, appropriate, or desirable to carry out the purposes of this ordinance  
11 and consistent with the Bond Resolution. Enactment of this ordinance authorizes the transfer of  
12 amounts from the 2014 Multipurpose LTGO Bond Fund to other funds in order to carry out the  
13 purposes of this ordinance.

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

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

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

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

16           (b) each of the Mayor and the Director of Finance is separately authorized to (i) execute  
17 and deliver any and all contracts or other documents as are consistent with this ordinance and for  
18 which the City's approval is necessary or to which the City is a party (including but not limited  
19 to agreements with escrow agents, refunding trustees, liquidity or credit support providers, bond  
20 insurers, remarketing agents, underwriters, lenders, fiscal agents, counterparties to interest rate  
21 swap, cap, floor, or similar agreements, custodians, and the Bond Registrar); (ii) negotiate,  
22 execute and deliver any and all contracts or other documents in form and substance acceptable to  
23 the Mayor and Director of Finance necessary to (A) carry out the Pike PDA Refunding and  
24 obtain an agreement between the City and the Pike PDA, that provides, among other things, for  
25 periodic payments by the Pike PDA to reimburse the City for debt service on the portion of the  
26 Bonds issued to carry out the Pike PDA Refunding, (B) carry out the SCIDPDA Refunding and

1 obtain an agreement between the City and SCIDPDA that provides, among other things, for  
2 periodic payments by SCIDPDA to reimburse the City for debt service on the portion of the  
3 Bonds issued to carry out the SCIDPDA Refunding, and (C) carry out the BHMC Project and  
4 obtain an agreement between the City and BHMC that provides, among other things, for  
5 ownership and use of the improvements or assets acquired in connection with the BHMC Project  
6 and for periodic payments by BHMC for the costs of debt service on the portion of the Bonds  
7 issued to carry out the BHMC Project and other related costs; and (iii) execute and deliver such  
8 other contracts or documents incidental to the issuance and sale of a Series of the Bonds; the  
9 establishment of the initial interest rate or rates on a Bond; or the tender, purchase, remarketing,  
10 or redemption of a Bond, as may in his or her judgment be necessary or appropriate.

11 **Section 17. Amendment of Ordinance 122553.** Ordinance 122553, as amended by  
12 Ordinance 122696, which authorized issuance of the new money portion of the City’s Limited  
13 Tax General Obligation Improvement and Refunding Bonds, 2008 (the “2008 Bonds”), provided  
14 that proceeds of the 2008 Bonds would be used to carry out the costs of projects specified in  
15 Exhibit A to that ordinance, as well as other projects authorized by ordinance. Exhibit A to  
16 Ordinance 122553, as amended by Ordinance 122696, is further amended to read as set forth in  
17 Exhibit C, attached hereto and by this reference made a part hereof.

18 **Section 18. Amendment of Ordinance 123156.** Ordinance 123156, which authorized  
19 issuance of the new money portion of the City’s Limited Tax General Obligation Improvement  
20 Bonds, 2010A (Taxable Build America Bonds – Direct Payment) and Limited Tax General  
21 Obligation Improvement and Refunding Bonds, 2010B (together, the “2010 Bonds”), provided  
22 that proceeds of the 2010 Bonds would be used to carry out the costs of projects specified in  
23 Exhibit A to that ordinance, as well as other projects authorized by ordinance. Exhibit A to  
24 Ordinance 123156 is amended to read as set forth in Exhibit D, attached hereto and by this  
25 reference made a part hereof.

1           **Section 19. Amendment of Ordinance 123480.** Ordinance 123480, which authorized  
2 issuance of the City’s Limited Tax General Obligation Improvement Bonds, 2011 (the “2011  
3 Bonds”), provided that proceeds of the 2011 Bonds would be used to carry out the costs of  
4 projects specified in Exhibit A to that ordinance, as well as other projects authorized by  
5 ordinance. Exhibit A to Ordinance 123480 is amended to read as set forth in Exhibit E, attached  
6 hereto and by this reference made a part hereof.

7           **Section 20. Amendment of Ordinance 123751.** Ordinance 123751, which authorized  
8 issuance of the new money portion of the City’s Limited Tax General Obligation Improvement  
9 and Refunding Bonds, 2012 (the “2012 Bonds”), provided that proceeds of the 2012 Bonds  
10 would be used to carry out the costs of projects specified in Exhibit A to that ordinance, as well  
11 as other projects authorized by ordinance. Exhibit A to Ordinance 123751 is amended to read as  
12 set forth in Exhibit F, attached hereto and by this reference made a part hereof.

13           **Section 21. Amendment of Ordinance 124053.** Ordinance 124053, as amended by  
14 Ordinance 124146, which authorized issuance of the new money portion of the City’s Limited  
15 Tax General Obligation Improvement and Refunding Bonds, 2013 (the “2013 Bonds”), provided  
16 that proceeds of the 2013 Bonds would be used to carry out the costs of projects specified in  
17 Exhibit A to that ordinance, as well as other projects authorized by ordinance. Exhibit A to  
18 Ordinance 124053, as amended by Ordinance 124146, is further amended to read as set forth in  
19 Exhibit G, attached hereto and by this reference made a part hereof.

20           **Section 22. Severability.** The provisions of this ordinance are declared to be separate  
21 and severable. If a court of competent jurisdiction, all appeals having been exhausted or all  
22 appeal periods having run, finds any provision of this ordinance to be invalid or unenforceable as  
23 to any person or circumstance, such offending provision shall, if feasible, be deemed to be  
24 modified to be within the limits of enforceability or validity. However, if the offending  
25 provision cannot be so modified, it shall be null and void with respect to the particular person or  
26 circumstance, and all other provisions of this ordinance in all other respects, and the offending  
27

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

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

6 **Section 24. Section Headings.** The section headings in this ordinance are used for  
7 convenience only and shall not constitute a substantive portion of this ordinance.

8 **Section 25. Effective Date.** This ordinance shall take effect and be in force 30 days  
9 after its approval by the Mayor, but if not approved and returned by the Mayor within ten days  
10 after presentation, it shall take effect as provided by Seattle Municipal Code Section 1.04.020.

11 Passed by the City Council the \_\_\_\_ day of \_\_\_\_\_, 2013, and signed by me in open  
12 session in authentication of its passage this \_\_\_\_ day of \_\_\_\_\_, 2013.

13 \_\_\_\_\_  
14 President \_\_\_\_\_ of the City Council

15 Approved by me this \_\_\_\_ day of \_\_\_\_\_, 2013.

16 \_\_\_\_\_  
17 Michael McGinn, Mayor

18 Filed by me this \_\_\_\_ day of \_\_\_\_\_, 2013.

19 \_\_\_\_\_  
20 Monica Martinez Simmons, City Clerk

21 (Seal)

22 Attachments

1 Exhibit A – Description of 2014 Projects

2 Exhibit B – Form of Undertaking to Provide Continuing Disclosure

3 Exhibit C – Amendment to Exhibit A of Ordinance 122553, as amended by Ordinance 122696  
(Description of Projects)

4 Exhibit D – Amendment to Exhibit A of Ordinance 123156 (Description of Projects)

5 Exhibit E – Amendment to Exhibit A of Ordinance 123480 (Description of Projects)

6 Exhibit F – Amendment to Exhibit A of Ordinance 123751 (Description of Projects)

7 Exhibit G – Amendment to Exhibit A of Ordinance 124053, as amended by Ordinance 124146  
(Description of Projects)

**EXHIBIT A**

**DESCRIPTION OF PROJECTS\***

Description	Approximate Principal Amount
Mercer West	\$ 8,378,000
South Park Bridge	15,000,000
Waterfront ROW	5,000,000
North Precinct	6,650,000
Critical Infrastructure – SMT	2,300,000
Financial IT Upgrades	7,038,000
Data Center Short	18,200,000
Data Center Long	8,000,000
IT– Electronic Records	3,000,000
IT – Computing Architecture	1,000,000
IT – Enterprise	2,170,000
Golf	5,561,000
SCIDPDA Refinancing (2002 A&B)	4,325,000
Pike Place Market Refinancing (2002)	3,055,000
Symphony Various Capital	1,100,000
Issuance Costs and Pricing Adjustments	2,723,000
<b>Total</b>	<b>\$93,500,000</b>

\*Includes issuance costs and pricing adjustments.

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**EXHIBIT B**

**FORM OF UNDERTAKING TO PROVIDE CONTINUING DISCLOSURE**

The City of Seattle, Washington (the “City”) makes the following written Undertaking for the benefit of the Owners of the City’s [Limited Tax General Obligation Bonds, 2014][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 MSRB, in an electronic format as prescribed by the MSRB, accompanied by identifying information as prescribed by the MSRB:

(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; (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.

(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.

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

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

12           (ii)   Shall be provided not later than the last day of the ninth month after the  
13 end of each fiscal year of the City (currently, a fiscal year ending December 31), as such fiscal  
14 year may be changed as required or permitted by State law, commencing with the City's fiscal  
15 year ending [December 31, 2013]; and

16           (iii)   May be provided in a single or multiple documents, and may be  
17 incorporated by specific reference to documents available to the public on the Internet website  
18 of the MSRB or filed with the SEC.

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

28           (d)    Beneficiaries. The Undertaking evidenced by this section shall inure to the  
benefit of the City and any Beneficial Owner 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.

1 (f) Remedy for Failure to Comply with Undertaking. As soon as practicable after  
2 the City learns of any failure to comply with the Undertaking, the City will proceed with due  
3 diligence to cause such noncompliance to be corrected. No failure by the City or other  
4 obligated person to comply with the Undertaking shall constitute a default in respect of the  
5 Bonds. The sole remedy of any Owner of a Bond shall be to take such actions as that Owner  
6 deems necessary, including seeking an order of specific performance from an appropriate  
7 court, to compel the City or other obligated person to comply with the Undertaking.

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

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

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

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

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

26 (v) Effecting any necessary amendment of the Undertaking.

**EXHIBIT C**

**AMENDED EXHIBIT A TO ORDINANCE 122553**

**DESCRIPTION OF PROJECTS\***

<u>Description</u>	<u>Approximate Principal Amount</u>
King Street Station (BTG)	\$ 3,384,580
Bridge Seismic (BTG)	1,621,220
Bridge Rehabilitation and Replacement (BTG)	4,083,950
Pay Stations	2,240,250
Fire Station Projects	23,587,000
South Lake Union Property Proceeds Account	2,060,000
Spokane Street Viaduct (BTG)	9270,000
Mercer Corridor (BTG)	((43,439,575))
	<u>39,639,575</u>
South Lander Street (BTG)	2,833,530
<u>Arterial Asphalt and Concrete</u>	<u>3,800,000</u>
Total	\$92,520,105

**EXHIBIT D**

**AMENDED EXHIBIT A TO ORDINANCE 123156**

**DESCRIPTION OF PROJECTS\***

<u>Description</u>	<u>Approximate Principal Amount</u>
Spokane Street Viaduct (BTG)	\$ 6,787,000
Bridge Rehab (BTG)	30,463,862
Bridge Seismic (BTG)	12,163,801
Mercer West (BTG)	9,000,000
Mercer (BTG)	<del>((3,100,000))</del> <u>1,900,000</u>
Alaskan Way Viaduct	10,565,000
Pay Stations	2,026,000
King Street Station (BTG)	531,000
Pike Place Market	4,800,000
Golf	863,000
Tier 1 SAN and Enterprise Comp.	1,500,000
Fire Stations	7,000,000
<u>23<sup>rd</sup> Avenue Corridor</u>	<u>1,200,000</u>
Issuance Costs and Pricing Adjustments	<u>2,681,750</u>
Total	\$91,481,413

\*Includes issuance costs and pricing adjustments.

**EXHIBIT E**

**AMENDED EXHIBIT A TO ORDINANCE 123480**

**DESCRIPTION OF PROJECTS\***

<u>Description</u>	<u>Approximate Principal Amount</u>
Bridge Rehabilitation (BTG)	\$((10,192,000)) <u>2,000,801</u>
Bridge Seismic (BTG)	((1,937,000)) <u>11,792,199</u>
King Street Station (BTG)	4,011,000
Spokane Street Viaduct (BTG)	((22,509,000)) <u>1,609,000</u>
Seawall	12,400,000
AWV – Parking & Program Management	2,500,000
Mercer West	((8,100,000)) <u>12,795,000</u>
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
<u>Arterial Asphalt and Concrete (Northgate)</u>	<u>4,500,000</u>
<u>Chesiahud Lake Union Trail</u>	<u>1,200,000</u>
<u>Linden Avenue North Complete Streets</u>	<u>1,750,000</u>
<u>Pedestrian Master Plan Implementation</u>	<u>1,191,000</u>
<u>23<sup>rd</sup> Avenue Corridor</u>	<u>5,900,000</u>
Issuance Costs and Pricing Adjustments	<u>2,584,480</u>
Total	\$((88,733,823)) <u>88,733,822</u>

\*Includes issuance costs and pricing adjustments.

**EXHIBIT F**

**AMENDED EXHIBIT A TO ORDINANCE 123751**

**DESCRIPTION OF PROJECTS\***

<u>Description</u>	<u>Approximate Principal Amount</u>
Bridge Seismic (BTG)	\$ 3,203,223
<del>((Mercer (BTG)))</del>	<del>((5,000,000))</del>
Linden	6,335,000
Seawall (CPT)	2,800,000
AWV – Parking & Program Management (CPT)	3,000,000
Mercer West (CPT)	11,173,000
Golf	6,002,821
Rainier Beach Community Center	6,726,000
Library IT	756,000
Magnuson Park Building 30	5,514,039
<u>23<sup>rd</sup> Avenue Corridor</u>	<u>5,000,000</u>
Issuance Costs and Pricing Adjustments	<u>1,515,302</u>
Total	\$52,025,385

\*Includes issuance costs and pricing adjustments.

**EXHIBIT G**

**AMENDED EXHIBIT A TO ORDINANCE 124053**

**DESCRIPTION OF PROJECTS\***

<u>Description</u>	<u>Approximate Principal Amount</u>
Golf	\$1,810,158
Rainier Beach Community Center	6,600,000
Magnuson Park Building 30	5,215,000
Magnuson Park Building 11	5,850,000
Fire Facilities	12,726,000
B&O IT	<del>((7,632,000))</del>
	<u>4,833,066</u>
Financial IT Upgrades	5,886,000
Data Center	2,625,000
Video Mobile Data Terminals	4,479,196
North Precinct	4,250,000
<u>Critical Infrastructure – WP/OC</u>	<u>2,300,000</u>
<u>Budgeting IT</u>	<u>498,934</u>
Issuance Costs and Pricing Adjustments	<u>1,712,201</u>
Total	\$58,785,555

\*Includes issuance costs and pricing adjustments.

**2014 BUDGET LEGISLATION FISCAL NOTE**

<b>Department:</b>	<b>Contact Person/Phone:</b>	<b>CBO Analyst/Phone:</b>
Finance and Administrative Services (FAS)	Michael Van Dyck/4-8347	Hall Walker/3-7065

**Legislation 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 refinance certain outstanding bonds of the Pike Place Market Preservation and Development Authority and the Seattle Chinatown-International District Preservation and Development Authority, to carry out certain improvements to Benaroya Hall, 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; creating a bond fund; amending Ordinance 122553, Ordinance 123156, Ordinance No. 123480, Ordinance 123751 and Ordinance 124053; and ratifying and confirming certain prior acts.

**Summary and Background of the Legislation:**

This legislation provides the legal authorization to issue up to \$93.5 million of Limited Tax General Obligation Bonds, as assumed in the 2014 Proposed Budget and the Proposed 2014-2019 Capital Improvement Program (CIP).

Although the Budget and CIP make specific assumptions about the use of debt financing for a certain share of the CIP, separate authorization for the issuance of bonds is technically required.

This bond sale is anticipated to occur in early to mid - 2014. The bond proceeds, combined with internally generated funds, will support a share of the City’s general government capital program for about 12 months.

The bond sizing is based on the proposed budget and current cash-flow projections. The bond proceeds will also be used to pay issuance costs.

The City’s Capital Improvement Program (CIP) identifies debt financing for certain projects and the City’s budget appropriates the associated debt service. The table below lists the projects to be financed by the proceeds of 2014 LTGO bonds. Please see the City’s Budget and CIP for information about these projects. Total debt service is expected to be about \$3.7 million in 2014 and \$13.3 million in 2015.

**2014 LTGO Bond Issue**

Project	Capital Cost	Approx. Par Amount (1)	Max. Term	Approx. Rate	Debt Service Adopted 2014	Debt Service Estimated 2015	Debt Service Funding Source
Mercer West	8,378,000	8,629,340	20	5.0%	323,600	692,441	SDOT (CPT) (2)
South Park Bridge	15,000,000	15,450,000	20	5.0%	579,375	1,239,748	GF
Waterfront ROW	5,000,000	5,150,000	20	5.0%	193,125	413,249	GF
North Precinct (2 of 3)	6,650,000	6,849,500	20	5.0%	256,856	549,622	GF
Critical Infrastructure - SMT	2,300,000	2,369,000	5	3.0%	53,303	517,282	FAS
Financial IT Upgrades (issue 2 of 3)	7,038,000	7,249,140	5	3.0%	163,106	1,582,883	FAS
Data Center Short (2a of 3)	18,200,000	18,746,000	5	3.0%	421,785	4,093,275	DoIT
Data Center Long (2b of 3)	8,000,000	8,240,000	10	4.0%	247,200	1,015,917	DoIT
IT-Electronic Records	3,000,000	3,090,000	5	3.0%	69,525	674,716	DoIT
IT-Computing Architecture	1,000,000	1,030,000	5	3.0%	23,175	224,905	DoIT
IT-Enterprise	2,170,000	2,235,100	5	3.0%	50,290	488,044	DoIT
Golf	5,561,000	5,727,830	20	5.0%	214,794	459,616	DPR
SCIDPDA Refinancing (2002 A& B)	4,325,000	4,454,750	18	Various	230,150	355,100	Int'l District PDA
Pike Place Market Refinancing (2002)	3,055,000	3,146,650	5	Various	836,100	821,200	Pike Place Market
Symphony Various Capital	1,100,000	1,133,000	10	3.0%	25,493	132,822	BHMC
<b>Subtotal for 2014 Bonds</b>	<b>90,777,000</b>	<b>93,500,310</b>			<b>3,687,876</b>	<b>13,260,820</b>	

(1) Includes 3% for costs of issuance and pricing adjustments.  
 (2) Proceeds from Bridging the Gap - Commercial Parking Tax receipts.

This ordinance includes authorization to provide financing of certain HVAC, sound, and lighting equipment for the Seattle Symphony and to refund (refinance) certain bonds issued by the Seattle Chinatown International District PDA and Pike Place Market. The City shall enter into repayment agreements with these agencies to pay all the debt service on these bonds.

Finally, this ordinance amends various other bond ordinances to reflect re-purposing of old bond proceeds.

Please check any of the following that apply:

This legislation does not have any financial implications.

This legislation has financial implications.

**Other Implications:**

a) Does the legislation have indirect financial implications, or long-term implications?

The City will be obligated to pay annual debt service on these bonds through their term.

b) What is the financial cost of not implementing the legislation?

Financing these projects from cash would require identifying other funding sources and/or making large cuts in operating programs. Since most of the debt-financed capital

improvements have a long useful life and interest rates are currently low, it is more practical to spread the costs of these improvements over current and future beneficiaries by issuing bonds.

**c) Does this legislation affect any departments besides the originating department?**

This legislation affects Finance and Administrative Services (FAS), Seattle Department of Transportation (SDOT), Department of Parks and Recreation (DPR), (Department of Information Technology (DoIT), and the City Budget Office (CBO).

**d) What are the possible alternatives to the legislation that could achieve the same or similar objectives?**

There are no obvious alternatives for most of the large capital projects. Cash financing of these projects would require identifying alternative large funding sources.

**e) Is a public hearing required for this legislation?**

No.

**f) Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?**

No.

**g) Does this legislation affect a piece of property?**

No.

**h) Other Issues:**

None.

**List attachments to the fiscal note below:**

None.