

**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 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; creating a fund for the deposit of bond proceeds; amending Ordinance 122553 (as previously amended by Ordinance 122696), Ordinance 123156 (as previously amended by Ordinance 124341), Ordinance 123480 (as previously amended by Ordinance 124341), and Ordinance 123751 (as previously amended by Ordinance 124341); 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 \$62.8 million; and

WHEREAS, the City has determined that it is in its best interest to assist the Pike Place Market Preservation and Development Authority (the “Pike PDA”) in financing certain improvements comprising a portion of the PC-1N Project, all as further described in Ordinance 124122 and as set forth in an agreement between the City and the Pike PDA, providing among other things for City assistance in completing the PC-1N Project; 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.

1                   **“Beneficial Owner”** means, with regard to a Bond, the owner of any beneficial interest  
2 in that Bond.

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

6                   **“Bond Fund”** means the City’s General Bond Interest and Redemption Fund, previously  
7 created by Ordinance 112112 and established and to be used for the payment of the principal of,  
8 premium, if any, and interest on the Bonds.

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

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

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

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

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

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1 “Owner” means, without distinction, the Registered Owner and the Beneficial Owner of  
 2 a Bond.

3 “PC-1N Project” means certain improvements to the Pike Place Market, more  
 4 specifically described in Ordinance 124122 and as set forth in an agreement between the City  
 5 and the Pike PDA.

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

8 “Pike PDA Contribution (PC-1N)” means the contribution of Bond proceeds to the  
 9 Pike PDA to be used to undertake a portion of the PC-1N Project (as described in Ordinance  
 10 124122) in accordance with the terms of a written agreement between the City and the Pike  
 11 PDA.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

24           **“Undertaking”** means the undertaking to provide continuing disclosure entered into  
25 pursuant to Section 14(c) of this ordinance, in substantially the form attached as Exhibit B.  
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1           **Section 2.     Authorization of Bonds.** The City is authorized to borrow money on the  
2 credit of the City and issue limited tax general obligation bonds evidencing indebtedness in the  
3 maximum principal amount stated in Section 4 of this ordinance to pay all or part of the costs of  
4 various elements of the City's capital improvement program (which costs may include  
5 capitalized interest, if necessary) and other City purposes approved by ordinance, to make the  
6 Pike PDA Contribution (PC-1N), and to pay the costs of issuance of the Bonds. The Bonds may  
7 be issued in one or more Series and may be combined with other general obligation bonds  
8 (including refunding bonds) authorized separately. The Bonds shall be designated limited tax  
9 general obligation bonds and shall be numbered separately and shall have any name, year and  
10 series or other label as deemed necessary or appropriate by the Director of Finance.

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

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

3       **(a) Maximum Principal Amount.** The Bonds may be issued in one or more Series  
4 and shall not exceed the aggregate principal amount of \$62.8 million.

5       **(b) Date or Dates.** Each Bond shall be dated its Issue Date, as determined by the  
6 Director of Finance, which issue date may not be later than December 31, 2017.

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

8       **(d) Interest Rate(s); Payment Dates.** Each Bond shall bear interest from the Issue  
9 Date or from the most recent date for which interest has been paid or duly provided for,  
10 whichever is later, and shall be payable on dates determined by the Director of Finance. One or  
11 more rates of interest shall be established for each maturity of each Series of the Bonds, which  
12 rate or rates may be fixed or variable. Fixed interest rates shall be computed on the basis of a  
13 360-day year of twelve 30-day months and the net interest cost shall not exceed a weighted  
14 average rate of 10% per annum. Principal payments shall commence on a date and shall be  
15 payable at maturity or in mandatory redemption installments on dates determined by the Director  
16 of Finance.

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

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

22       **(i) Optional Redemption.** Any Bond may be designated as being (A) subject to  
23 redemption at the option of the City prior to its maturity date on the dates and at  
24 the redemption prices set forth in the Bond Purchase Contract; or (B) not subject  
25 to redemption prior to its maturity date. If a Bond is subject to optional  
26 redemption prior to its maturity, it must be subject to such redemption on one or  
27 more dates occurring not more than 10½ years after the Issue Date.

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

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

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

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

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

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

19 (iv) Any Series of the Bonds may be designated or qualified as Tax-Exempt Bonds,  
20 Tax Credit Subsidy Bonds, or other taxable bonds, and may include such  
21 additional terms and covenants relating to federal tax matters as the Director of  
22 Finance deems necessary or appropriate, consistent with Section 12 of this  
23 ordinance.

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

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

27 (b) **Bond Registrar; Transfer and Exchange of Bonds.** The Bond Registrar shall  
28 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.



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

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

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

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

6 Upon the resignation of the Securities Depository from its functions as depository, or  
7 upon a City determination to discontinue services of the Securities Depository, the City may  
8 appoint a substitute Securities Depository. If (i) the Securities Depository resigns from its  
9 functions as depository, and no substitute Securities Depository can be obtained, or (ii) the City  
10 determines that the Bonds are to be in certificated form, then ownership of Bonds may be  
11 transferred to any person as provided herein and the Bonds no longer shall be held in book-entry  
12 form.

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



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

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

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

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

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



1 available and to be used therefor, to pay when due the principal of and interest on the Bonds, and  
2 the full faith, credit, and resources of the City are pledged irrevocably for the annual levy and  
3 collection of those taxes and the prompt payment of that principal and interest.

4 **Section 12. Provisions Relating to Certain Federal Tax Consequences of the**  
5 **Bonds.**

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

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

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

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

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

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

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

16 **Section 15. Deposit and Use of Proceeds.** Unless provided otherwise in the Bond  
17 Resolution, the principal proceeds and premium, if any, received from the sale and delivery of  
18 the Bonds shall be paid into or allocated to the 2015 Multipurpose LTGO Bond Fund, which is  
19 hereby created in the City Treasury, or in such other funds, accounts, or subaccounts of the City  
20 Treasury as the Director of Finance may designate, and used for the purposes described in  
21 Section 2. The Director of Finance may use the principal proceeds and any premium to pay for  
22 costs of issuance of the Bonds, and the Director of Finance also may incur and account for non-  
23 cash costs of issuance that are not included as part of the bond proceeds and premium, including  
24 but not limited to any underwriters discount.

25 The Director of Finance may (i) establish and transfer proceeds of the Bonds among  
26 funds, accounts, or subaccounts in the City Treasury, or (ii) make interfund loans pursuant to



1 Seattle Municipal Code Section 5.06.030 to or from other City accounts or funds, all on terms he  
2 or she may deem necessary, appropriate, or desirable to carry out the purposes of this ordinance  
3 and consistent with the Bond Resolution. Enactment of this ordinance authorizes the transfer of  
4 amounts from the 2015 Multipurpose LTGO Bond Fund to other funds in order to carry out the  
5 purposes of this ordinance.

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

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

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

25 (a) the Director of Finance may, in his or her discretion and without further action by the  
26 City Council: (i) issue requests for proposals for underwriting or financing facilities and execute

1 engagement letters with underwriters, bond insurers or other financial institutions based on  
2 responses to such requests, (ii) change the Bond Registrar or Securities Depository for the  
3 Bonds; and (iii) take such actions on behalf of the City as are necessary or appropriate for the  
4 City to designate, qualify or maintain the tax-exempt treatment with respect to any Series issued  
5 as Tax-Exempt Bonds, to receive from the United States Treasury the applicable federal credit  
6 payments in respect of any Series issued as Tax-Credit Subsidy Bonds and to otherwise receive  
7 any other federal tax benefits relating to the Bonds that are available to the City; and

8 (b) each of the Mayor and the Director of Finance is separately authorized to (i) execute  
9 and deliver any and all contracts or other documents as are consistent with this ordinance and for  
10 which the City's approval is necessary or to which the City is a party (including but not limited  
11 to agreements with escrow agents, refunding trustees, liquidity or credit support providers, bond  
12 insurers, remarketing agents, underwriters, lenders, fiscal agents, counterparties to interest rate  
13 swap, cap, floor; or similar agreements, custodians, and the Bond Registrar); (ii) negotiate,  
14 execute and deliver any and all contracts or other documents in form and substance acceptable to  
15 the Mayor and Director of Finance necessary to make the Pike PDA Contribution (PC-1N) and  
16 obtain a written agreement between the City and the Pike PDA, that provides, among other  
17 things, for the terms of the City's financial assistance to the PC-1N Project, and (iii) execute and  
18 deliver such other contracts or documents incidental to the issuance and sale of a Series of the  
19 Bonds; the establishment of the initial interest rate or rates on a Bond; or the tender, purchase,  
20 remarketing, or redemption of a Bond, as may in his or her judgment be necessary or  
21 appropriate.

22 **Section 17. Amendment of Ordinance 122553.** Ordinance 122553, as amended by  
23 Ordinance 122696, authorized issuance of the new money portion of the City's Limited Tax  
24 General Obligation Improvement and Refunding Bonds, 2008 (the "2008 Bonds"), and provided  
25 that proceeds of the 2008 Bonds would be used to carry out the costs of projects specified in  
26 Exhibit A to that ordinance, as well as other projects authorized by ordinance. Exhibit A to

1 Ordinance 122553, as amended by Ordinance 122696, is further amended to read as set forth in  
2 Exhibit C, attached hereto and by this reference made a part hereof.

3 **Section 18. Amendment to Ordinance 123156.** Ordinance 123156, as amended by  
4 Ordinance 124341, authorized issuance of the new money portion of the City's Limited Tax  
5 General Obligation Improvement Bonds, 2010A (Taxable Build America Bonds-Direct  
6 Payment) and Limited Tax General Obligation Improvement and Refunding Bonds, 2010B  
7 (together, the "2010 Bonds"), and provided that proceeds of the 2010 Bonds would be used to  
8 carry out the costs of projects specified in Exhibit A to that ordinance, as well as other projects  
9 authorized by ordinance. Exhibit A to Ordinance 123156, as amended by Ordinance 124341, is  
10 further amended to read as set forth in Exhibit D, attached hereto and by this reference made a  
11 part hereof.

12 **Section 19. Amendment of Ordinance 123480.** Ordinance 123480, as amended by  
13 Ordinance 124341, authorized issuance of the City's Limited Tax General Obligation  
14 Improvement Bonds, 2011 (the "2011 Bonds"), and provided that proceeds of the 2011 Bonds  
15 would be used to carry out the costs of projects specified in Exhibit A to that ordinance, as well  
16 as other projects authorized by ordinance. Exhibit A to Ordinance 123480, as amended by  
17 Ordinance 124341, is further amended to read as set forth in Exhibit E, attached hereto and by  
18 this reference made a part hereof.

19 **Section 20. Amendment of Ordinance 123751.** Ordinance 123751, as amended by  
20 Ordinance 124341, authorized issuance of the new money portion of the City's Limited Tax  
21 General Obligation Improvement and Refunding Bonds, 2012 (the "2012 Bonds"), and provided  
22 that proceeds of the 2012 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 123751, as amended by Ordinance 124341, is further amended to read as set forth in  
25 Exhibit F, attached hereto and by this reference made a part hereof.

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

10           **Section 22.   Ratification of Prior Acts.** Any action taken consistent with the authority  
11 of this ordinance, after its passage but prior to the effective date, is ratified, approved, and  
12 confirmed.

13           **Section 23.   Section Headings.** The section headings in this ordinance are used for  
14 convenience only and shall not constitute a substantive portion of this ordinance.



**EXHIBIT A**  
**DESCRIPTION OF PROJECTS**

Description	Approximate Principal Amount
Pike Market PC 1-N	\$28,000,000
Bridge Rehab	5,104,000
South Park Bridge	5,000,000
Alaska Way Corridor	4,150,000
CWF Overlook	1,379,000
Fire Facilities	4,899,921
Electronic Records	1,500,000
Data Center Short	5,187,000
IT Enterprise	1,175,000
IT Service Mgt Tools	2,500,000
Golf	2,000,000
Issuance Costs and Pricing Adjustments	1,826,848
Total	\$62,721,769

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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, 2015][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, 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.

(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  
financial information that the City undertakes to provide in subsection (a) of this section:

2 (i) Shall consist of (1) annual financial statements of the City prepared in  
3 accordance with applicable generally accepted accounting principles applicable to  
4 governmental units (except as otherwise noted herein), as such principles may be changed from  
5 time to time and as permitted by State law, which financial statements will not be audited,  
6 except, that if and when audited financial statements are otherwise prepared and available to  
7 the City they will be provided; (2) a statement of authorized, issued and 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;

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

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

13 (c) Amendment of Undertaking. The Undertaking is subject to amendment after the  
14 primary offering of the Bonds without the consent of any owner or holder of any Bond, or of  
15 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  
16 give notice to the MSRB of the substance (or provide a copy) of any amendment to the  
17 Undertaking and a brief statement of the reasons for the amendment. If the amendment  
18 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.

19 (d) Beneficiaries. The Undertaking evidenced by this section shall inure to the  
20 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.

21 (e) Termination of Undertaking. The City's obligations under this Undertaking  
22 shall terminate upon the legal defeasance, prior redemption, or payment in full of all of the  
23 outstanding Bonds. In addition, the City's obligations under this Undertaking shall terminate if  
24 those provisions of Rule 15c2-12 which require the City to comply with this Undertaking  
25 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 material failure to comply with the Undertaking, the City will proceed  
3 with due diligence to cause such noncompliance to be corrected. No failure by the City or  
4 other obligated person to comply with the Undertaking shall constitute a default in respect of  
5 the Bonds. The sole remedy of any Beneficial Owner of a Bond shall be to take such actions as  
6 that Beneficial Owner deems necessary, including seeking an order of specific performance  
7 from an appropriate court, to compel the City or other obligated person to comply with the  
8 Undertaking.

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

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

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

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

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

27 (v) Effecting any necessary amendment of the Undertaking.  
28

**EXHIBIT C**

**AMENDED EXHIBIT A TO ORDINANCE 122553**

**(as amended by Ordinance 122696)**

**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)	9,270,000
Mercer Corridor (BTG)	((43,439,575))
	<u>43,277,178</u>
South Lander Street (BTG)	2,833,530
<u>Arterial Asphalt and Concrete</u>	<u>162,397</u>
Total	\$92,520,105

**EXHIBIT D**

**AMENDED EXHIBIT A TO ORDINANCE 123156**

**(as amended by Ordinance 124341)**

**DESCRIPTION OF PROJECTS\***

Description	Approximate Principal Amount
Spokane Street Viaduct (BTG)	\$ 6,787,000
Bridge Rehap (BTG)	30,463,862
Bridge Seismic (BTG)	12,163,801
Mercer West (BTG)	<del>((9,000,000))</del>
	<u>12,100,000</u>
<del>((Mercer (BTG)</del>	<del>1,900,000))</del>
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
<del>((23<sup>rd</sup> Avenue Corridor</del>	<del>1,200,000))</del>
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**

**(as amended by Ordinance 124341)**

**DESCRIPTION OF PROJECTS\***

Description	Approximate Principal Amount
Bridge Rehabilitation (BTG)	\$((-2,000,801))
	<u>3,600,758</u>
Bridge Seismic (BTG)	((11,792,199))
	<u>10,192,242</u>
King Street Station (BTG)	4,011,000
Spokane Street Viaduct (BTG)	((1,609,000))
	<u>1,153,341</u>
Seawall	12,400,000
AWV – Parking & Program Management	2,500,000
Mercer West	((12,795,000))
	<u>13,073,000</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
Arterial Asphalt and Concrete (Northgate)	((4,500,000))
	<u>5,215,491</u>
Chesiahud Lake Union Trail	1,200,000
Linden Avenue North Complete Streets	((1,750,000))
	<u>1,490,168</u>
Pedestrian Master Plan Implementation	1,191,000
23 <sup>rd</sup> Avenue Corridor	((5,900,000))
	<u>5,622,000</u>
Issuance Costs and Pricing Adjustments	<u>2,584,480</u>
Total	\$88,733,822

\*Includes issuance costs and pricing adjustments

**EXHIBIT F**

**AMENDED EXHIBIT A TO ORDINANCE 123751**

**(as amended by Ordinance 124341)**

**DESCRIPTION OF PROJECTS\***

<u>Description</u>	<u>Approximate Principal Amount</u>
Bridge Seismic (BTG)	\$ 3,203,223
Linden	6,335,000
Seawall (CPT)	2,800,000
AWV – Parking and 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
<del>((23<sup>rd</sup> Avenue Corridor))</del> Mercer West	5,000,000
Issuance Costs and Pricing Adjustments	<u>1,515,302</u>
Total	\$52,025,385

\*Includes issuance costs and pricing adjustments

**FISCAL NOTE FOR CAPITAL PROJECTS ONLY**

<b>Department:</b>	<b>Contact Person/Phone:</b>	<b>CBO Analyst/Phone:</b>
FAS	Michael Van Dyck 4-8347	Ben Noble 4-8160

**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 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; creating a fund for the deposit of bond proceeds; amending Ordinance 122553 (as previously amended by Ordinance 122696), Ordinance 123156 (as previously amended by Ordinance 124341), Ordinance 123480 (as previously amended by Ordinance 124341), and Ordinance 123751 (as previously amended by Ordinance 124341); and ratifying and confirming certain prior acts.

**Summary and background of the Legislation:**

This legislation provides the legal authorization to issue up to \$62.8 million of Limited Tax General Obligation Bonds, as assumed in the 2015 Proposed Budget and the Proposed 2015-2020 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 - 2015. 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. Financing for the development of the Pike Place Market PC-1 N site reflects the first \$28 million of the City’s agreement to provide a total of \$40 million to this project, as described in the Memorandum of Understanding, adopted by Ordinance 124122. The remaining \$12 million of bonds is expected to be issued in 2016. The table

below lists the projects to be financed by the proceeds of 2015 LTGO bonds. Please see the City's Budget and CIP for information about these projects. Total debt service is expected to be about \$2.2 million in 2015 and \$6.5 million in 2016.

Project	Capital Cost	Approx. Par Amount (1)	Max. Term	Approx. Rate	Debt Service Proposed 2015	Debt Service Proposed 2016	Debt Service Funding Source
Pike Market PC1-N (1 of 2)	28,000	28,840	20	5.0%	1,082	2,314	General Fund
Bridge Rehab (CPT-10%)	5,104	5,257	20	5.0%	197	422	SDOT (CPT-10%) (2)
South Park Bridge	5,000	5,150	20	5.0%	193	413	General Fund
Alaska Way Corridor (CPT-2.5%)	4,150	4,275	20	5.0%	160	343	SDOT (CPT-2.5%) (3)
CWF Overlook (CPT-2.5%)	1,379	1,420	20	5.0%	53	114	SDOT (CPT-2.5%) (3)
Fire Facilities (3 of 5)	4,900	5,047	20	5.0%	189	405	REET II
Electronic Records	1,500	1,545	5	3.0%	35	337	FAS
Data Center Short (3a of 3)	5,187	5,343	5	3.0%	120	1,167	DoIT
IT Enterprise	1,175	1,210	5	3.0%	27	264	DoIT
IT Service Mgt Tools	2,500	2,575	5	3.0%	58	562	DoIT
Golf	2,000	2,060	20	5.0%	77	165	DPR
<b>Total</b>	<b>60,895</b>	<b>62,722</b>			<b>2,192</b>	<b>6,507</b>	

- (1) Includes 3% for costs of issuance and pricing adjustments.  
 (2) Proceeds from Bridging the Gap - commercial parking tax receipts.  
 (3) Receipts from additional 2.5% commercial parking taxes.

### 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 FAS, SDOT, DPR, DOIT, and CBO

**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.

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

No

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

No

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

Yes, the Pike Place Market PC-1 N site.

**g) Other Issues:**

None

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