

Ordinance No. 122286

Council Bill No. 115757

AN ORDINANCE relating to contracting indebtedness; authorizing and providing for the issuance and sale of limited tax general obligation bonds to pay all or part of the cost of financing elements of the City's capital improvement program, issuing and selling the bonds, and other City purposes approved by ordinance; providing for terms and sale of the bonds; creating a project fund; and amending Ordinance 121651 in connection with any future refunding of the City's general obligation bonds, including the bonds authorized herein.

The City of Seattle - Legislative Department

Council Bill/Ordinance sponsored by: McIVER

Councilmember

Committee Action:

11/14/06 PASS 8-0 SC, RC, DD, JD, JG, NL, PS, RM

11-20-06 Passed 9-0

CF No. _____

Date Introduced:	OCT 16 2006	
Date 1st Referred:	To: (committee) BUDGET	
Date Re - Referred:	To: (committee)	
Date Re - Referred:	To: (committee)	
Date of Final Passage:	Full Council Vote: <u>9-0</u>	
Date Presented to Mayor:	Date Approved: <u>11-22-06</u>	
Date Returned to City Clerk:	Date Published: <u>22 sep.</u>	T.O. <input type="checkbox"/> F.T. <input checked="" type="checkbox"/>
Date Vetoed by Mayor:	Date Veto Published:	
Date Passed Over Veto:	Veto Sustained:	

This file is complete and ready for presentation to Full Council. Committee: _____ (initial/date)

Law Department

Law Dept. Review

OMP Review

City Clerk Review

Electronic Copy Loaded

Indexed *CAN*

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

4 **"Bond Register"** means the books or records maintained by the Bond Registrar for the
5 purpose of registration of the Bonds.

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

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

14 **"Bonds"** means the limited tax general obligation bonds issued pursuant to this
15 ordinance.

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

18 **"City Council"** means the City Council of the City, as duly and regularly constituted
19 from time to time.

20 **"Code"** means the Internal Revenue Code of 1986, as amended, or any successor thereto,
21 and all applicable rules and regulations promulgated thereunder.

22 **"Director of Finance"** means the Director of the Department of Finance of the City, or
23 any other officer who succeeds to substantially all of the responsibilities of that office specified
24 in the ordinance.

25 **"DTC"** means The Depository Trust Company, New York, New York.
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1 **“Government Obligations”** means direct obligations of, or obligations the principal of
2 and interest on which are unconditionally guaranteed by, the United States Government.

3 **“Letter of Representations”** means, for each series of Bonds, either (i) the Blanket
4 Issuer Letter of Representations between the City and DTC, as it may be amended from time to
5 time, or (ii) the Letter of Representations relating to such series of Bonds to be delivered by the
6 City to DTC.

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

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

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

14 **“Securities Depository”** means any one of the following registered securities
15 depositories which has been designated by the City: (i) DTC; (ii) Midwest Securities Trust
16 Company, Chicago, Illinois; (iii) Philadelphia Depository Trust Company, Philadelphia,
17 Pennsylvania; or (iv) such other securities depositories as the City may designate in a certificate
18 of the City delivered to the Bond Registrar.

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

22 **Section 2. Debt Capacity.** The assessed valuation of the taxable property of the City as
23 ascertained by the last preceding assessment for City purposes for the collection of taxes in the
24 calendar year 2006 is \$95,706,633,290. The City has outstanding net general indebtedness
25 evidenced by limited tax general obligation bonds, installment purchase contracts, lease purchase
26 agreements and other indebtedness (without including liability for compensated absences), as of
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1 June 30, 2006, in the principal amount of \$769,590,116 incurred within the limit of up to 1.5% of
2 the value of the taxable property within the City permitted for general municipal purposes
3 without a vote of the qualified voters therein, and in addition has outstanding net unlimited tax
4 general obligation debt in the principal amount of \$177,613,422 incurred within the limit of up to
5 2.5% of the value of the taxable property within the City for general municipal capital purposes
6 only, net unlimited tax general obligation debt in the principal amount of \$14,596,578 incurred
7 within the additional limit of up to 2.5% of the value of the taxable property within the City for
8 utility purposes, and no unlimited tax general obligation debt incurred within the additional limit
9 of up to 2.5% of the value of the taxable property within the City for parks and open space
10 purposes, issued pursuant to votes of the qualified voters of the City.

11 **Section 3. Authorization and Description of Bonds.** For the purposes of paying all or
12 part of the costs of the Projects and issuing and selling the Bonds, and for other City purposes
13 approved by ordinance, the City is authorized to borrow money on the credit of the City and
14 issue limited tax general obligation bonds evidencing indebtedness in the maximum principal
15 amount of not to exceed \$55,000,000. The general indebtedness to be incurred shall be within
16 the limit of up to 1.5% of the value of the taxable property within the City permitted for general
17 municipal purposes without a vote of the qualified voters therein. The Bonds may be issued in
18 one or more series; may be combined with other general obligation bonds authorized separately;
19 shall be designated Limited Tax General Obligation Bonds and shall have such year and series or
20 other designation as determined by the Director of Finance or as specified by the Bond
21 Resolution consistent with the provisions of this ordinance; shall be dated as specified by the
22 Bond Resolution; shall be in the denomination of \$5,000 or any integral multiple thereof within a
23 single maturity or such other denomination within a maturity as specified by the Bond
24 Resolution; shall be numbered separately, in the manner and with any additional designation as
25 the Bond Registrar deems necessary for the purpose of identification; and shall bear interest
26 payable on the dates as specified by the Bond Resolution at such rate or rates as specified and
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1 approved by the Bond Resolution, which rate or rates may be fixed or variable, except that (i) if
2 the interest rate on the Bonds is fixed, the net interest cost shall not exceed a weighted average
3 rate of 10% per annum, and (ii) if the interest rate on the Bonds is variable, the net interest cost
4 during the initial interest rate period for the initial series of Bonds shall not exceed a weighted
5 average rate of 10% per annum. The Bonds shall mature on the dates and in years and amounts
6 as specified by the Bond Resolution, except that the final maturity of any series of Bonds shall
7 not exceed 30 years from the date of issuance. All or some of the Bonds may be Term Bonds, as
8 specified by the Bond Resolution.

9 The City may issue the Bonds of any series as either tax-exempt or taxable for federal
10 income tax purposes, as shall be determined in the Bond Resolution.

11 On the date of issuance, the expected life of the capital facilities to be financed with the
12 proceeds of the Bonds shall exceed the final maturity of the Bonds.

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

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

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

12 **Section 5. Registration and Transfer or Exchange of Bonds.** The Bonds shall be
13 issued only in registered form as to both principal and interest and recorded on the Bond
14 Register. The Bond Register shall contain the name and mailing address of the Registered
15 Owner of each Bond and the principal amount and number of each of the Bonds held by each
16 Registered Owner.

17 Bonds surrendered to the Bond Registrar may be exchanged for Bonds in any authorized
18 denomination of an equal aggregate principal amount and of the same series, interest rate, and
19 maturity. Bonds may be transferred only if endorsed in the manner provided thereon and
20 surrendered to the Bond Registrar. Any exchange or transfer shall be without cost to the
21 Registered Owner or transferee. The Bond Registrar shall not be obligated to exchange or
22 transfer any Bond during the 15 days preceding any principal or interest payment or redemption
23 date (or other record date established by the Bond Registrar).

24 The City appoints DTC initial Securities Depository for the Bonds, unless the City
25 provides otherwise in the Bond Resolution. For so long as DTC is the Securities Depository for
26 the Bonds, DTC or its nominee shall be deemed to be the Registered Owner of the Bonds for all
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1 purposes hereunder, and all references in this ordinance or the Bond Resolution to the Registered
2 Owners of the Bonds shall mean DTC or its nominee and shall not mean the owners of any
3 beneficial interests in the Bonds. Payments of principal of, premium, if any, and interest on all
4 outstanding Bonds registered in the name of the nominee of DTC, or its registered assign, shall
5 be made as provided in the Letter of Representations by the City.

6 Bonds executed and delivered in fully immobilized form shall be executed and delivered
7 in the form of one fully-registered immobilized certificate for each series and maturity of the
8 Bonds representing the aggregate principal amount of the Bonds of that series and maturity,
9 which Bonds shall (except as provided below for the discontinuation or substitution of Securities
10 Depository) be registered in the name of the Securities Depository or its nominee. For so long as
11 DTC serves as Securities Depository for the Bonds, the Bonds shall be registered in the name of
12 Cede & Co., as nominee of DTC; however, if DTC shall request that the Bonds be registered in
13 the name of a different nominee, the Bond Registrar shall exchange all or any portion of the
14 Bonds for an equal aggregate principal amount of Bonds registered in the name of such other
15 nominee or nominees of DTC. No person other than DTC or its nominee shall be entitled to
16 receive from the City or the Bond Registrar any Bond or any other evidence of ownership of the
17 Bonds, or any right to receive any payment in respect thereof, unless DTC or its nominee shall
18 transfer record ownership of all or any portion of the Bonds on the Bond Register, in connection
19 with discontinuing the book-entry system as provided below or otherwise.

20 For so long as the Bonds are registered in the name of DTC or any nominee thereof, all
21 payments of the principal of, premium, if any, or interest with respect to the Bonds shall be made
22 to DTC or its nominee in immediately available funds on the dates provided for such payments
23 under this ordinance and the Bond Resolution and at such times and in the manner provided in
24 the Letter of Representations. Each such payment to DTC or its nominee shall be valid and
25 effective to fully discharge all liability of the City or the Bond Registrar with respect to the
26 principal of, premium, if any, or interest with respect to the Bonds to the extent of the sum or
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1 sums so paid. In the event of the redemption of less than all of the Bonds of any series and
2 maturity, the Bond Registrar shall not require surrender by DTC or its nominee of the Bonds so
3 redeemed, and DTC or its nominee may retain such Bonds and make an appropriate notation
4 thereon as to the amount of such partial redemption. DTC shall deliver to the Bond Registrar,
5 upon request, a written confirmation of such partial redemption. The records maintained by the
6 Bond Registrar shall be conclusive as to the amount of the Bonds of such series and maturity that
7 have been redeemed.

8 All transfers of beneficial ownership interests in Bonds registered in the name of DTC or
9 its nominee shall be effected by the procedures of DTC's participants and/or indirect participants
10 for recording and transferring the ownership of beneficial interests.

11 The City and the Bond Registrar may treat DTC (or its nominee) as the sole and
12 exclusive Registered Owner of the Bonds registered in such name for the purposes of payment of
13 the principal of, premium, if any, or interest with respect to those Bonds, selecting Bonds or
14 portions thereof to be redeemed, giving any notice permitted or required to be given to
15 Registered Owners of Bonds under this ordinance or the Bond Resolution, registering the
16 transfer of Bonds, obtaining any consent or other action to be taken by Registered Owners of
17 Bonds, and for all other purposes whatsoever; and the City and the Bond Registrar shall not be
18 affected by any notice to the contrary. The City and the Bond Registrar shall not have any
19 responsibility or obligation to any direct or indirect DTC participant, any person claiming a
20 beneficial ownership interest in the Bonds under or through DTC or any such participant, or any
21 other person which is not shown on the Bond Register as being a Registered Owner of Bonds,
22 with respect to: (i) the Bonds; (ii) any records maintained by DTC or any such participant;
23 (iii) the payment by DTC or such participant of any amount in respect of the principal of,
24 premium, if any, or interest with respect to the Bonds; (iv) any notice which is permitted or
25 required to be given to Registered Owners of Bonds under this ordinance or the Bond
26 Resolution; (v) the selection by DTC or any such participant of any person to receive payment in
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1 the event of a partial redemption of the Bonds; or (vi) any consent given or other action taken by
2 DTC as Registered Owner of the Bonds.

3 For so long as the Bonds are registered in the name of DTC or any nominee thereof, all
4 notices required or permitted to be given to the Registered Owners of such Bonds under this
5 ordinance or the Bond Resolution shall be given to DTC as provided in the Letter of
6 Representations.

7 In connection with any notice or other communication to be provided to Registered
8 Owners pursuant to this ordinance or the Bond Resolution by the City or the Bond Registrar with
9 respect to any consent or other action to be taken by Registered Owners of the Bonds, DTC shall
10 consider the date of receipt of notice requesting such consent or other action as the record date
11 for such consent or other action; however, the City or the Bond Registrar may establish a special
12 record date for such consent or other action and shall give DTC notice of such special record
13 date not less than 15 calendar days in advance of such special record date to the extent practical.

14 Any successor Bond Registrar, in its written acceptance of its duties under this ordinance
15 and the Bond Resolution, shall agree to take any actions necessary from time to time to comply
16 with the requirements of any applicable Letter of Representations.

17 The book-entry system for registration of the ownership of the Bonds delivered in fully
18 immobilized form may be discontinued at any time if: (i) after notice to the City and the Bond
19 Registrar, DTC determines to resign as Securities Depository for the Bonds; or (ii) after notice to
20 DTC and the Bond Registrar, the City determines that a continuation of the system of book-entry
21 transfers through DTC (or through a successor Securities Depository) is not in the best interests
22 of the City. In each of such events (unless, in the case described in clause (i) above, the City
23 appoints a successor Securities Depository), the Bonds shall be delivered in registered certificate
24 form to such persons, and in such maturities and principal amounts, as may be designated by
25 DTC, but without any liability on the part of the City or the Bond Registrar for the accuracy of
26 such designation. Whenever DTC requests the City and the Bond Registrar to do so, and for so
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1 long as clause (ii) above does not apply, the City and the Bond Registrar shall cooperate with
2 DTC in taking appropriate action after reasonable notice to arrange for another Securities
3 Depository to maintain custody of certificates evidencing the Bonds.

4 **Section 6. Mutilated, Lost, Stolen and Destroyed Bonds.** In case any Bonds shall
5 become mutilated or be destroyed, stolen, or lost, the City may, if not then prohibited or
6 otherwise required by law, cause to be executed and delivered a new Bond of like amount, series,
7 interest rate, maturity date, and tenor in exchange and substitution for and upon cancellation of
8 such mutilated Bonds, or in lieu of and in substitution for such destroyed, stolen, or lost Bonds,
9 upon payment by the Registered Owner thereof of the reasonable expenses and charges of the
10 City and the Bond Registrar in connection therewith, and in the case of a Bond destroyed, stolen,
11 or lost, the filing with the Bond Registrar of evidence satisfactory to it that such Bond was
12 destroyed, stolen, or lost, and of the ownership thereof, and furnishing the City and the Bond
13 Registrar with indemnity satisfactory to each of them. If the mutilated, destroyed, stolen, or lost
14 Bond already has matured or been called for redemption in accordance with its terms, it shall not
15 be necessary to issue a new Bond prior to payment. If the provisions of State law at any time
16 differ from the provisions of this section with respect to the requirements or procedures for
17 replacing or otherwise handling mutilated, lost, stolen or destroyed Bonds, then the provisions of
18 State law shall prevail.

19 **Section 7. Payment of Bonds.** Principal of, premium, if any, and interest on the Bonds
20 shall be payable in lawful money of the United States of America. Interest on the Bonds shall be
21 paid by checks, drafts, or warrants of the Bond Registrar, or, if requested in writing prior to the
22 Record Date by the Registered Owner of \$1,000,000 or more in principal amount of Bonds, by
23 wire, mailed or transferred on the interest payment date to Registered Owners of the Bonds as
24 those Registered Owners and their addresses and accounts appear on the Bond Register on the
25 Record Date (or other record date established in the Bond Resolution). Principal of and
26 premium, if any, on the Bonds shall be payable at maturity or on such date as may be specified
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1 for prior redemption upon presentation and surrender of the Bonds by the Registered Owners at
2 the principal corporate trust office or offices of the Bond Registrar. Notwithstanding the
3 foregoing, payment of any Bonds registered in the name of DTC or its nominee shall be made in
4 accordance with the relevant Letter of Representations.

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

6 (a) **Optional Redemption.** All or some of the Bonds may be subject to redemption
7 prior to their stated maturity dates at the option of the City at the times and on the terms set forth
8 in the Bond Resolution.

9 (b) **Mandatory Redemption.** The City shall redeem any Term Bonds, if not
10 redeemed under the optional redemption provisions set forth in the Bond Resolution or
11 purchased under the provisions set forth below, by lot (or in such other manner as the Bond
12 Registrar shall determine) at par plus accrued interest on the dates and in the years and principal
13 amounts as set forth in the Bond Resolution.

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

19 (c) **Partial Redemption.** Whenever less than all of the Bonds of a single maturity of
20 a series are to be redeemed, the Bond Registrar shall select the Bonds or portions thereof to be
21 redeemed from the Bonds of that maturity by lot, or in such other manner as the Bond Registrar
22 shall determine, except that, for so long as the Bonds are registered in the name of DTC or its
23 nominee, DTC shall select the Bonds or portions thereof to be redeemed in accordance with the
24 relevant Letter of Representations. In no event shall any Bond be outstanding in a principal
25 amount that is not an authorized denomination.

1 Portions of the principal amount of any Bond, in integral amounts of \$5,000, may be
2 redeemed, unless otherwise provided in the Bond Resolution. If less than all of the principal
3 amount of any Bond is redeemed, upon surrender of that Bond at the principal offices of the
4 Bond Registrar, there shall be issued to the Registered Owner, without charge therefor, a new
5 Bond (or Bonds, at the option of the Registered Owner) of the same series, maturity, and interest
6 rate in any of the denominations authorized by the Bond Resolution in the aggregate total
7 principal amount remaining unredeemed.

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

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

13 **Section 9. Notice of Redemption.** The City shall cause notice of any intended
14 redemption of Bonds to be given not less than 30 nor more than 60 days prior to the date fixed
15 for redemption by first-class mail, postage prepaid, to the Registered Owner of any Bond to be
16 redeemed at the address appearing on the Bond Register at the time the Bond Registrar prepares
17 the notice, and the requirements of this sentence shall be deemed to have been fulfilled when
18 notice has been mailed as so provided, whether or not it is actually received by the Registered
19 Owner of any Bond. Interest on Bonds called for redemption shall cease to accrue on the date
20 fixed for redemption unless the Bond or Bonds called are not redeemed when presented pursuant
21 to the call. In addition, the redemption notice shall be mailed by the Bond Registrar within the
22 same period, postage prepaid, to Moody's Investors Service, Inc., and Standard & Poor's Ratings
23 Services, a Division of The McGraw-Hill Companies, Inc., at their offices in New York, New
24 York, or their successors, to any bond insurer for the Bonds, and to such other persons and with
25 such additional information as the Director of Finance shall determine or as specified in the
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1 Bond Resolution, but none of these additional mailings shall be a condition precedent to the
2 redemption of Bonds.

3 **Section 10. Failure to Pay Bonds.** If any Bond is not paid when properly presented at
4 its maturity or call date, the City shall be obligated to pay interest on that Bond at the same rate
5 provided in that Bond from and after its maturity or call date until that Bond, principal, premium,
6 if any, and interest, is paid in full or until sufficient money for its payment in full is on deposit in
7 the Bond Fund and that Bond has been called for payment by giving notice of that call to the
8 Registered Owner of that Bond.

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

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

18 **CERTIFICATE OF AUTHENTICATION**

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

21 **BOND REGISTRAR**

22
23 By _____
24 Authorized Signer



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

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

12 **Section 12. Bond Registrar.** The Bond Registrar shall keep, or cause to be kept, at its
13 principal corporate trust office, sufficient books for the registration and transfer of the Bonds,
14 which shall be open to inspection by the City at all times. The Bond Registrar is authorized, on
15 behalf of the City, to authenticate and deliver Bonds transferred or exchanged in accordance with
16 the provisions of the Bonds and this ordinance, to serve as the City's paying agent for the Bonds,
17 and to carry out all of the Bond Registrar's powers and duties under this ordinance and Seattle
18 Municipal Code Chapter 5.10 establishing a system of registration for the City's bonds and
19 obligations, as that chapter now exists or may hereafter be amended. The City reserves the right
20 in its discretion to appoint special paying agents, registrars, or trustees in connection with the
21 payment of some or all of the principal of, premium, if any, or interest on the Bonds. If a new
22 Bond Registrar is appointed by the City, notice of the name and address of the new Bond
23 Registrar shall be mailed to the Registered Owners of the Bonds appearing on the Bond Register
24 at the time the Bond Registrar prepares the notice. The notice may be mailed together with the
25 next interest payment due on the Bonds, but, to the extent practicable, shall be mailed no later
26 than the Record Date for any principal payment or redemption date of any Bond.



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

7 **Section 13. Pledge of Taxes.** For so long as any of the Bonds is outstanding, the City
8 irrevocably pledges to include in its budget and levy taxes annually within the constitutional and
9 statutory tax limitations provided by law without a vote of the electors of the City on all of the
10 taxable property within the City in an amount sufficient, together with other money legally
11 available and to be used therefor, to pay when due the principal of and interest on the Bonds, and
12 the full faith, credit, and resources of the City are pledged irrevocably for the annual levy and
13 collection of those taxes and the prompt payment of that principal and interest.

14 **Section 14. Preservation of Tax Exemption for Interest on Tax-Exempt Bonds.** The
15 City covenants that it will take all actions, consistent with the terms of the Bonds issued on a tax
16 exempt basis (the "Tax-Exempt Bonds"), this ordinance, and the Bond Resolution, reasonably
17 within its power and necessary to prevent interest on the Tax-Exempt Bonds from being included
18 in gross income for federal income tax purposes, and the City will neither take any action nor
19 make or permit any use of proceeds of the Tax-Exempt Bonds or other funds of the City treated
20 as proceeds of the Tax-Exempt Bonds at any time during the term of the Tax-Exempt Bonds
21 which will cause interest on the Tax-Exempt Bonds to be included in gross income for federal
22 income tax purposes.

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

3 **Section 16. Refunding or Defeasance of the Bonds.** The Bonds are hereby designated
4 “Refundable Bonds” for purposes of Ordinance 121651. The City may issue refunding bonds
5 pursuant to the laws of the State or use money available from any other lawful source to pay
6 when due the principal of, premium, if any, and interest on the Bonds, or portion thereof
7 included in a refunding or defeasance plan, and to redeem and retire, release, refund, or defease
8 those Bonds (the “defeased Bonds”) and to pay the costs of such refunding or defeasance. If
9 money and/or government obligations (as that term is defined in RCW 39.53.010, as it now
10 exists or may hereafter be amended) maturing at a time or times and in an amount sufficient in
11 amount, together with known earned income from the investment thereof, to redeem and retire,
12 release, refund, or defease the defeased Bonds in accordance with their terms, are set aside in a
13 special trust fund or escrow account irrevocably pledged to such redemption, retirement, or
14 defeasance (the “trust account”), then all right and interest of the owners of the defeased Bonds
15 in the covenants of this ordinance and in the net Revenue and the funds and accounts pledged to
16 the payment of such defeased Bonds, other than the right to receive the funds so set aside and
17 pledged, thereafter shall cease and become void. Such owners thereafter shall have the right to
18 receive payment of the principal of and interest or redemption price on the defeased Bonds from
19 the trust account. The City shall include in the refunding or defeasance plan such provisions as
20 the City deems necessary for the random selection of any defeased Bonds that constitute less
21 than all of a particular maturity of the Bonds, for notice of the defeasance to be given to the
22 Registered Owners of the defeased Bonds, and to such other persons as the City shall determine,
23 and for any required replacement of Bond certificates for defeased Bonds.

24 After the establishing and full funding of such a trust account, the defeased Bonds shall
25 be deemed as no longer outstanding, and the City then may apply any money in any other fund
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27
28

1 or account established for the payment or redemption of the defeased Bonds to any lawful
2 purposes as it shall determine.

3 **Section 17. Sale of Bonds.** The Director of Finance may provide for the sale of each
4 series of the Bonds (or any portion thereof) by public sale or by a negotiated sale with an
5 underwriter or other financial institution chosen through a selection process acceptable to the
6 Director of Finance. The Director of Finance is authorized to specify a date and time of sale of
7 the Bonds, to give notice of that sale, to determine any bid requirements and criteria for
8 determining the award of the bid, to provide for the use of an electronic bidding mechanism, and
9 to specify other matters in his or her determination necessary, appropriate, or desirable to carry
10 out the sale of the Bonds. The terms of that sale shall be consistent with this ordinance and the
11 Bond Resolution and shall be confirmed by the Bond Resolution. The Bonds shall be delivered
12 to the purchasers as provided in the Bond Resolution immediately upon payment to the City of
13 the purchase price plus accrued interest, if any, to the date of closing in immediately available
14 federal funds in Seattle, Washington, at the City's expense or at another time or place upon
15 which the Director of Finance and the purchaser may mutually agree at the purchaser's expense.

16 CUSIP numbers will be printed on the Bonds if requested by the purchasers, but neither
17 failure to print CUSIP numbers on any Bond nor error with respect thereto shall constitute cause
18 for a failure or refusal by the purchasers to accept delivery of and pay for the Bonds in
19 accordance with the purchase offer. All expenses in relation to the printing of CUSIP numbers
20 on the Bonds shall be paid by the City, but the fee of the CUSIP Service Bureau for the
21 assignment of those numbers shall be the responsibility of and shall be paid by the purchasers.

22 The City will cause the Bonds to be typed, photocopied, printed, or lithographed, sealed,
23 and executed and will furnish the approving legal opinion of Bond Counsel, the opinion also
24 being printed on each Bond unless the Bond is typed or photocopied.

25 **Section 18. Temporary Bonds.** Pending the printing, execution, and delivery to the
26 purchasers of definitive Bonds, the City may cause to be executed and delivered to the
27



1 purchasers a single temporary Bond for each series in the total principal amount of the Bonds of
2 that series. Each temporary Bond shall bear the same date of issuance, interest rates, principal
3 payment dates, and terms and covenants as the definitive Bonds, shall be issued as a fully
4 registered Bond in the name of the purchasers or their nominees, and shall be in such form as is
5 acceptable to the purchasers. Each temporary Bond shall be exchanged for the relevant
6 definitive Bonds as soon as they are printed, executed, and available for delivery.

7 **Section 19. Deposit and Use of Proceeds.** Unless provided otherwise in the Bond
8 Resolution, the principal proceeds and premium, if any, received from the sale and delivery of
9 the Bonds shall be paid into or allocated to the 2007 Multipurpose LTGO Bond Fund, which is
10 hereby created in the City Treasury, or in such other funds, accounts, or subaccounts of the City
11 Treasury as the Director of Finance may designate, and used to pay all or part of the costs of the
12 Projects, issuing and selling the Bonds, and for other City purposes approved by ordinance.

13 The Director of Finance may (i) establish and transfer proceeds of the Bonds among
14 funds, accounts, or subaccounts in the City Treasury, or (ii) make interfund loans pursuant to
15 Seattle Municipal Code Section 5.06.030 to or from other City accounts or funds, all on terms he
16 or she may deem necessary, appropriate, or desirable to carry out the purposes of this ordinance
17 and consistent with the Bond Resolution. Enactment of this ordinance authorizes the transfer of
18 amounts from the 2007 Multipurpose LTGO Bond Fund to other funds in order to carry out the
19 purposes of this ordinance.

20 There previously has been created and established in the City Treasury the Bond Fund.
21 Accrued interest on the Bonds received from the sale and delivery of the Bonds, if any, together
22 with any net premium received from the sale and delivery of the Bonds that is not necessary to
23 pay the costs of issuance and sale of the Bonds, shall be paid or allocated into the Bond Fund
24 prior to the first debt service payment date with respect to those Bonds. Until needed to pay the
25 costs described herein, the City may invest principal proceeds of the Bonds temporarily in any
26 legal investment, and the investment earnings shall be deposited in such funds and accounts as
27



1 may be designated by the Director of Finance. Earnings subject to a federal tax or rebate
2 requirement may be withdrawn from any such fund or account and used for those tax or rebate
3 purposes.

4 Any proceeds of Bonds remaining after paying the costs of the Projects, issuing and
5 selling the Bonds, and for other City purposes approved by ordinance, and for the purposes set
6 forth in this Section, or after the City Council has determined that the expenditure of such Bond
7 proceeds for those purposes is no longer necessary or appropriate, may be used to pay principal
8 of and interest on the Bonds consistent with applicable law.

9 All taxes collected for and allocated to the payment of the principal of and interest on the
10 Bonds shall be deposited in the Bond Fund.

11 **Section 20. General Authorization.** The Mayor and the Director of Finance and each
12 of the other appropriate officers of the City are each authorized and directed to do everything as
13 in their judgment may be necessary, appropriate, or desirable in order to carry out the terms and
14 provisions of, and complete the transactions contemplated by, this ordinance. In particular, and
15 without limitation, the Director of Finance may, in his or her discretion and without further
16 action by the City Council, (i) issue requests for proposals for underwriting or financing facilities
17 and execute engagement letters with underwriters, bond insurers or other financial institutions
18 based on responses to such requests, (ii) deem final and approve the distribution of any
19 preliminary official statement or official statement relating to the Bonds, (iii) comply with any
20 continuing disclosure requirements applicable to the Bonds, and (iv) change the Bond Registrar
21 or Securities Depository for the Bonds.

22 **Section 21. Amendments of Ordinance 121651.** The definition of "Refundable Bonds"
23 in Section 1 of Ordinance 121651 is amended to read as follows (addition is underlined). All
24 other definitions in Section 1 of Ordinance 121651 shall remain in full force and effect.

25 "LTGO Refundable Bonds" means all or a portion of the outstanding
26 limited tax general obligation bonds of the City listed in Exhibit A hereto, and all
27



1 of \$5,000 or any integral multiple thereof within a single maturity or such other
2 denomination within a maturity as specified by the Bond Resolution; shall be
3 numbered separately, in the manner and with any additional designation as the
4 Bond Registrar deems necessary for the purpose of identification; shall bear
5 interest payable on the dates as specified by the Bond Resolution, at such rate or
6 rates as specified and approved by the Bond Resolution, except that the net
7 interest cost shall not exceed a weighted average rate of 8% per annum; and shall
8 mature on the dates and in years and amounts as specified by the Bond
9 Resolution. All or some of the Bonds may be Term Bonds, as specified by the
10 Bond Resolution. Unless otherwise permitted by RCW 39.53.090, (i) the various
11 annual maturities of Bonds issued to refund UTGO Refunded Bonds shall not
12 extend over a longer period of time than those UTGO Refunded Bonds, and (ii)
13 the final maturity of any series of Bonds shall not exceed 30 years from the date
14 of issuance.

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

24 **Section 23. Ratification of Prior Acts.** Any action taken consistent with the authority
25 of this ordinance, after its passage but prior to the effective date, is ratified, approved, and
26 confirmed.
27



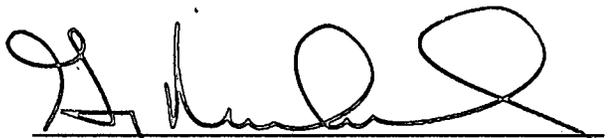
1 **Section 24. Section Headings.** The section headings in this ordinance are used for
2 convenience only and shall not constitute a substantive portion of this ordinance.

3 **Section 25. Effective Date.** This ordinance shall take effect and be in force 30 days
4 from and after its approval by the Mayor, but if not approved and returned by the Mayor within
5 10 days after presentation, it shall take effect as provided by Municipal Code Section 1.04.020.

6 Passed by the City Council the 20th day of November, 2006, and signed by me in open
7 session in authentication of its passage this 20th day of November, 2006.

8 
9 _____
10 President _____ of the City Council

11 Approved by me this 22nd day of November 2006.

12 
13 _____
14 Gregory J. Nickels, Mayor

15
16 Filed by me this 22nd day of November 2006.

17 
18 _____
19 City Clerk

20
21 (Seal)

22 Attachment

23 Exhibit A – Description of Projects
24
25
26
27
28



EXHIBIT A
DESCRIPTION OF PROJECTS

Description	Approximate Principal Amount
Zoo Garage	\$ 18,849,000
Northgate Land Acquisition	9,837,000
Magnuson Park Building 27 Renovation	7,210,000
Aquarium	6,576,000
Parking Pay Stations	3,502,000
Alaska Tunnel/Seawall	4,120,000
Monorail Rehabilitation	4,635,000
Total	\$54,728,000





City of Seattle

Gregory J. Nickels, Mayor

Office of the Mayor

September 28, 2006

Honorable Nick Licata
President
Seattle City Council
City Hall, 2nd Floor

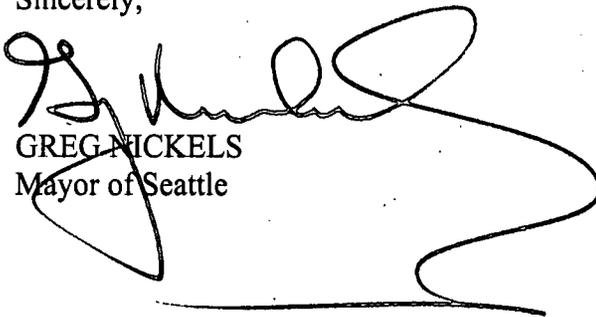
Dear Council President Licata:

I am pleased to transmit the attached proposed Council Bill authorizing the issuance of up to \$55 million of limited tax general obligation bonds to finance a variety of projects in the City's Capital Improvement Program (CIP).

Projects slated to receive debt financing include the Zoo Garage, Northgate Land Acquisition, Magnuson Park Building 27 Renovation, Aquarium, Parking Pay Stations, Monorail Rehabilitation, and the Alaskan Way Tunnel and Seawall. For detailed information about these projects, please see the City's 2007-20012 CIP.

Thank you for your consideration of this legislation. Should you have project-specific questions, please contact Dwight Dively (684-5212). For information about the financing itself, please contact Michael Van Dyck (684-8347).

Sincerely,



GREG NICKELS
Mayor of Seattle

600 Fourth Avenue, 7th Floor, P.O. Box 94749, Seattle, WA 98124-4749

Tel: (206) 684-4000, TDD: (206) 684-8811 Fax: (206) 684-5360, E:mail: mayors.office@seattle.gov

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2004 BUDGET LEGISLATION FISCAL NOTE

Department:	Contact Person/Phone:	DOF Analyst/Phone:
Finance	Dwight Dively (4-5212)	Michael van Dyck (4-8347)

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 cost of financing elements of the City's capital improvement program, issuing and selling the bonds, and other City purposes approved by ordinance; providing for terms and sale of the bonds; creating a project fund; and amending Ordinance 121651 in connection with any future refunding of the City's general obligation bonds, including the bonds authorized herein.

• **Summary of the Legislation:**

This legislation provides the legal authorization to issue up to \$55 million of Limited Tax General Obligation (LTGO) bonds for a variety of purposes.

• *Please check one of the following:*

This legislation does not have any financial implications. (Stop here and delete the remainder of this document prior to saving and printing.)

This legislation has financial implications. (Please complete all relevant sections that follow.)

• **Background:** (Include brief description of the purpose and context of legislation and include record of previous legislation and funding history, if applicable):

The City's Capital Improvement Program (CIP) identifies debt financing for certain projects and the City's budget appropriates the associated debt service. The following table lists the CIP projects that will be financed by the proceeds of 2007 LTGO bonds. Total debt service is expected to be about \$1.3 million in 2007 and \$4.9 million in 2008.



**2007 Various Purpose LTGO Bond Issue
 (in \$1,000s)**

Project	Capital Costs	Principal (Incl. 3% pricing adj. & costs)	Term	Approx Rate	Approx. 2007 Debt Service	Approx 2008 Debt Service	Paid From
Zoo Garage	18,300	18,849	20	5.0%	471	1512	REET I (1)
Northgate Land Acquisition	9,550	9,837	20	5.0%	246	789	REET I
Magnuson Park Building 27 Renovation	7,000	7,210	20 (2)	5.0%	180	361	REET II
Aquarium	6,384	6,576	8 (3)	4.5%	148	296	DPR (4)
Parking Pay Stations	3,400	3,502	5	4.0%	70	787	SDOT
Alaskan Way Tunnel/Seawall	4,000	4,120	10	4.5%	93	521	REET II
Monorail Rehabilitation	4,500	4,635	10	4.5%	104	586	CRF-U
TOTAL	53,134	54,728			1,312	4,851	

1. Per Agreement with the Woodland Park Zoo Society (WPZS), it will pay 25% of 2007 debt service. The City shall pay the other 75% out of REET I. In 2008, a projected \$437,260 of net operating income is expected to be available from the operation of the garage to pay debt service. WPZS will pay 25% of the remaining amount. The City shall pay the other 75% of the remaining amount from REET I.
2. To accommodate the construction development schedule, the City shall pay interest only on this share of the bonds through 2009.
3. Amortization of debt is set by the Agreement with the Seattle Aquarium Society (SEAS).
4. Reimbursed by SEAS.

Debt financing for all projects listed above has been assumed in the City of Seattle 2007-2012 CIP. Please see the City of Seattle 2007-2012 Capital Improvement Program (CIP) for these projects listed above.

This legislation also amends the omnibus general obligation bond refunding ordinance (ordinance 121651) to make it consistent with utilities refunding legislation so that any new general obligation bonds issued by the City are eligible in the future for refinancing if the City's refunding policy targets can be met.

- What is the financial cost of not implementing this legislation? Without debt financing these projects would need either to be funded from cash or eliminated from the budget and CIP.
- Is the legislation subject to public hearing requirements? (If yes, what public hearings have been held to date) Yes. Because these bonds will be tax-exempt, federal law requires a public hearing on the portion of the bonds that will be used for the Aquarium. Executive Debt Management staff will work with Council staff to provide the required notice in a local newspaper prior to a short ("TEFRA") hearing at a Council committee.



STATE OF WASHINGTON – KING COUNTY

--SS.

205060
CITY OF SEATTLE, CLERKS OFFICE

No.

Affidavit of Publication

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

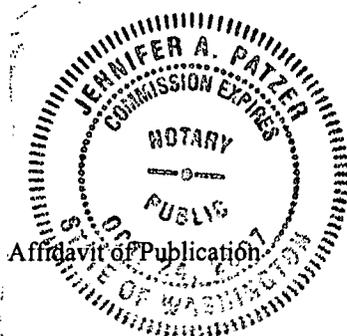
The notice in the exact form annexed, was published in regular issues of The Daily Journal of Commerce, which was regularly distributed to its subscribers during the below stated period. The annexed notice, a

CT:122286 ORDINANCE

was published on

12/04/06

The amount of the fee charged for the foregoing publication is the sum of \$1,393.80, which amount has been paid in full.



Subscribed and sworn to before me on
12/04/06 _____

Notary public for the State of Washington,
residing in Seattle

State of Washington, King County

City of Seattle

ORDINANCE 122286

AN ORDINANCE relating to contracting indebtedness; authorizing and providing for the issuance and sale of limited tax general obligation bonds to pay for the cost of financing elements of the City's capital improvement program, issuing and selling the bonds, and other City purposes approved by ordinance; providing for terms and sale of the bonds; creating a project fund; and amending Ordinance 121651 in connection with any future refunding of the City's general obligation bonds, including the bonds authorized herein.

WHEREAS, The City of Seattle, Washington (the "City"), has determined it to be in its best interest that certain capital improvement program projects hereinafter identified be financed by the issuance of limited tax general obligation bonds of the City in the principal amount of not to exceed \$55,000,000; and

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

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

WHEREAS, this ordinance will amend Ordinance 121651 to allow the refunding of any Refundable Bonds (hereinafter defined) only if the refunding is consistent with Ordinance 121651 and is approved by resolution of the City Council; NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. **Definitions.** As used in this ordinance, the following words shall have the meanings hereinafter set forth:

"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 122121 and established and to be used for the payment of the principal of, premium, if any, and interest on the Bonds.

"Bond Registrar" means the books or records maintained by the Bond Registrar for the purpose of registration of the Bonds.

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

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

"Bonds" means the limited tax general obligation bonds issued pursuant to this ordinance.

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

"City Council" means the City Council of the City, as duly and regularly constituted from time to time.

"Code" means the Internal Revenue Code of 1986, as amended, or any successor thereto, and all applicable rules and regulations promulgated thereunder.

"Director of Finance" means the Director of the Department of Finance of the City, or any other officer who succeeds to substantially all of the responsibilities of that office specified in the ordinance.

"DTC" means The Depository Trust Company, New York, New York.

"Government Obligations" means direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States Government.

"Letter of Representations" means, for each series of Bonds, either (i) the Blanket Issuer Letter of Representations between the City and DTC, as it may be amended from time to time, or (ii) the Letter of Representations relating to such series of Bonds to be delivered by the City to DTC.

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

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

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

"Securities Depository" means any one of the following registered securities depositories which has been designated by the City: (i) DTC; (ii) Midwest Securities Trust Company, Chicago, Illinois; (iii) Philadelphia Depository Trust Company, Philadelphia, Pennsylvania; or (iv) such other securities depositories as the City may designate in a certificate of the City delivered to the Bond Registrar.

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

Section 2. **Debt Capacity.** The assessed valuation of the taxable property of the City as ascertained by the last preceding assessment for City purposes for the collection of taxes in the calendar year 2006 is \$95,706,533,290. The City has outstanding net general indebtedness evidenced by limited tax general obligation bonds, installment purchase contracts, lease purchase agreements and other indebtedness (without including liability for compensated absences), as of June 30, 2006, in the principal amount of \$768,590,116 incurred within the limit of up to 1.5% of the value of the taxable property within the City permitted for general municipal purposes without a vote of the qualified voters therein, and in addition has outstanding net unlimited tax general obligation debt in the principal amount of \$177,813,422 incurred within the limit of up to 2.5% of the value of the taxable property within the City for general municipal capital purposes only, net unlimited tax general obligation debt in the principal amount of \$14,596,578 incurred within the additional limit of up to 2.5% of the value of the taxable property within the City for utility purposes, and no unlimited tax general obligation debt incurred within the additional limit of up to 2.5% of the value of the taxable property within the City for parks and open space purposes, issued pursuant to votes of the qualified voters of the City.

Section 3. **Authorization and Designation of Bonds.** For the purposes of paying all or part of the costs of the Projects and issuing and selling the Bonds, and for other City purposes approved by ordinance, the City is authorized to borrow money on the credit of the City and issue limited tax general obligation bonds evidencing indebtedness in the maximum principal amount of not to exceed \$55,000,000. The general indebtedness to be incurred shall be within the limit of up to 1.5% of the value of the taxable property within the City permitted for general municipal purposes without a vote of the qualified voters therein. The Bonds may be issued in one or more series; may be combined with other general obligation bonds authorized separately; shall be designated Limited Tax General Obligation Bonds and shall have such year and series or other designation as determined by the Director of Finance or as specified by the Bond Resolution consistent with the provisions of this ordinance; shall be dated as specified by the Bond Resolution; shall be in the denomination of \$5,000 or any integral multiple thereof within a single maturity or such other denomination within a maturity as specified by the Bond Resolution; shall be numbered separately, in the manner and with any additional designation as the Bond Registrar deems necessary for the purpose of identification; and shall bear interest payable on the dates as specified by the Bond Resolution at such rate or rates as specified and approved by the Bond Resolution, which rate or rates may be fixed or variable, except that (i) if the interest rate on the Bonds is fixed, the net interest cost shall not exceed a weighted average rate of 10% per annum, and (ii) if the interest rate on the Bonds is variable, the net interest cost during the initial interest rate period for the initial series of Bonds shall not exceed a weighted average rate of 10% per annum. The Bonds shall mature on the dates and in years and amounts as specified by the Bond Resolution, except that the final maturity of any series of Bonds shall not exceed 30 years from the date of issuance. All or some of the Bonds may be Term Bonds, as specified by the Bond Resolution.

The City may issue the Bonds of any series as either tax-exempt or taxable for federal income tax purposes, as shall be determined in the Bond Resolution.

On the date of issuance, the expected life of the capital facilities to be financed with the proceeds of the Bonds shall exceed the final maturity of the Bonds.

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

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

THE CITY OF SEATTLE

BY _____

Mayor

IN WITNESS WHEREOF, I have hereunto set my hand and the seal of the City of Seattle, Washington, this _____ day of _____, 2006.

City Clerk

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

Section 5. Registration and Transfer or Exchange of Bonds. The Bonds shall be issued only in registered form as to both principal and interest and recorded on the Bond Register. 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.

Bonds surrendered to the Bond Registrar may be exchanged for Bonds in any authorized denomination of an equal aggregate principal amount and of the same series, interest rate, and maturity. Bonds may be transferred only if endorsed in the manner provided thereon and surrendered to the Bond Registrar. Any exchange or transfer shall be without cost to the Registered Owner or transferee. The Bond Registrar shall not be obligated to exchange or transfer any Bond during the 15 days preceding any principal or interest payment or redemption date (or other record date established by the Bond Registrar).

The City appoints DTC initial Securities Depository for the Bonds, unless the City provides otherwise in the Bond Resolution. For so long as DTC is the Securities Depository for the Bonds, DTC or its nominee shall be deemed to be the Registered Owner of the Bonds for all purposes hereunder, and all references in this ordinance or the Bond Resolution to the Registered Owners of the Bonds shall mean DTC or its nominee and shall not mean the owners of any beneficial interests in the Bonds. Payments of principal of, premium, if any, and interest on all outstanding Bonds registered in the name of the nominee of DTC, or its registered assign, shall be made as provided in the Letter of Representations by the City.

Bonds executed and delivered in fully immobilized form shall be executed and delivered in the form of one fully-registered immobilized certificate for each series and maturity of the Bonds representing the aggregate principal amount of the Bonds of that series and maturity, which Bonds shall except as provided below for the discontinuation or substitution of Securities Depository be registered in the name of the Securities Depository or its nominee. For so long as DTC serves as Securities Depository for the Bonds, the Bonds shall be registered in the name of Cede & Co., as nominee of DTC; however, if DTC shall request that the Bonds be registered in the name of a different nominee, the Bond Registrar shall exchange all or any portion of the Bonds for an equal aggregate principal amount of Bonds registered in the name of such other nominee or nominees of DTC. No person other than DTC or its nominee shall be entitled to receive from the City or the Bond Registrar any Bond or any other evidence of ownership of the Bonds, or any right to receive any payment in respect thereof, unless DTC or its nominee shall transfer record ownership of all or any portion of the Bonds on the Bond Register, in connection with discontinuing the book-entry system as provided below or otherwise.

For so long as the Bonds are registered in the name of DTC or any nominee thereof, all payments of the principal of, premium, if any, or interest with respect to the Bonds shall be made to DTC or its nominee in immediately available funds on the dates provided for such payments under this ordinance and the Bond Resolution and at such times and in the manner provided in the Letter of Representations. Each such payment to DTC or its nominee shall be valid and effective to fully discharge all liability of the City or the Bond Registrar with respect to the principal of, premium, if any, or interest with respect to the Bonds to the extent of the sum or sums so paid. In the event of the redemption of less than all of the Bonds of any series and maturity, the Bond Registrar shall not require surrender by DTC or its nominee of the Bonds so redeemed, and DTC or its nominee may retain such Bonds and make an appropriate notation thereon as to the amount of such partial redemption. DTC shall deliver to the Bond Registrar, upon request, a written confirmation of such partial redemption. The records maintained by the Bond Registrar shall be conclusive as to the amount of the Bonds of such series and maturity that have been redeemed.

All transfers of beneficial ownership interests in Bonds registered in the name of DTC or its nominee shall be effected by the procedures of DTC's participants and/or indirect participants for recording and transferring the ownership of beneficial interests.

The City and the Bond Registrar may treat DTC (or its nominee) as the sole and exclusive Registered Owner of the Bonds registered in such name for the purposes of payment of the principal of, premium, if any, or interest with respect to those Bonds, selecting Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to Registered Owners of Bonds under this ordinance or the Bond Resolution, registering the transfer of Bonds, obtaining any consent or other action to be taken by Registered Owners of Bonds, and for all other purposes whatsoever; and the City and the Bond Registrar shall not be affected by any notice to the contrary. The City and the Bond Registrar shall not have any responsibility or obligation to any direct or indirect DTC participant, any person claiming a beneficial ownership interest in the Bonds under this ordinance through DTC or any such participant, or any other person which is not shown on the Bond Register as being a Registered Owner of Bonds, with respect to: (i) the Bonds; (ii) any records maintained by DTC or any such participant; (iii) the payment by DTC or such participant of any amount in respect of the principal of, premium, if any, or interest with respect to the Bonds; (iv) any notice which is permitted or required to be given to Registered Owners of Bonds under this ordinance or the Bond Resolution; (v) the selection by DTC or any such participant of any Bonds to receive payment in the event of a partial redemption of the Bonds; or (vi) any consent given or other action taken by DTC or Registered Owner of the Bonds.

For so long as the Bonds are registered in the name of DTC or any nominee thereof, all notices required or permitted to be given to Registered Owners of such Bonds under this ordinance or the Bond Resolution shall be given to DTC as provided in the Letter of Representations.

In connection with any notice or other communication to be provided to Registered Owners pursuant to this ordinance or the Bond Resolution by the City or the Bond Registrar with respect to any consent or other action to be taken by Registered Owners of the Bonds, DTC shall consider the date of receipt of notice requesting such consent or other action as the record date for such consent or other action; however, the City or the Bond Registrar may establish a special record date for such consent or other action and shall give DTC notice of such special record date not less than 15 calendar days in advance of such special record date to the extent practical.

Any successor Bond Registrar, in its written acceptance of its duties under this ordinance and the Bond Resolution, shall agree to take any actions necessary from time to time to comply with the requirements of any applicable Letter of Representations.

The book-entry system for registration of ownership of the Bonds delivered in fully immobilized form may be discontinued at any time if: (i) after notice to the City and the Bond Registrar, DTC determines to resign as Securities Depository for the Bonds; or (ii) after notice to DTC and the Bond Registrar, the City determines that a continuation of the system of book-entry transfers through DTC (or through a successor Securities Depository) is not in the best interests of the City. In each of such events (unless, in the event described in clause (i) above, the City appoints a successor Securities Depository), the Bonds shall be delivered in registered certificate form to such persons, and in such maturities and principal amounts, as may be designated by DTC, but without any liability on the part of the City or the Bond Registrar for the accuracy of such designation. Whenever DTC requests the City and the Bond Registrar to do so, and for so long as clause (ii) above does not apply, the City and the Bond Registrar shall cooperate with DTC in taking appropriate action after reasonable notice to arrange for another Securities Depository to maintain custody of certificates denoting the Bonds.

Section 6. Mutilated, Lost, Stolen or Destroyed Bonds. In case any Bonds shall become mutilated or be destroyed, stolen, or lost, the City may, if not then provided or otherwise required by law, cause to be executed and delivered a new Bond of the same amount, series, interest rate, maturity, and tenor in exchange and substitution and upon cancellation of such mutilated Bonds, or in lieu of and in substitution for such destroyed, stolen, or lost Bonds, upon payment by the Registered Owner thereof of the reasonable expenses and charges incurred by the City and the Bond Registrar in connection therewith, and in the case of a Bond destroyed, stolen, or lost, the filing with the Bond Registrar of evidence satisfactory to it that such Bond was destroyed, stolen, or lost, and of the ownership thereof, and furnishing to the City and the Bond Registrar with indemnity satisfactory to each of them. If the mutilated, destroyed, stolen, or lost Bond already matured or been called for redemption in accordance with its terms, it shall not be necessary to issue a new Bond prior to payment. The provisions of State law at any time different from the provisions of this section with respect to the requirements or procedures for issuing or otherwise handling mutilated, stolen or destroyed Bonds, then the provisions of State law shall prevail.

Section 7. Payment of Bonds. Principal of, premium, if any, and interest on the Bonds shall be payable in lawful money of

the United States of America. Interest on the Bonds shall be paid by checks, drafts, or warrants of the Bond Registrar, or, if requested in writing prior to the Record Date by the Registered Owner of \$1,000,000 or more in principal amount of Bonds, by wire, mailed or transferred on the interest payment date to Registered Owners of the Bonds as those Registered Owners and their addresses and accounts appear on the Bond Register or the Record Date (or other record date established in the Bond Resolution). Principal and premium, if any, on the Bonds shall be payable at maturity or on such date as may be specified for prior redemption upon presentation and surrender of the Bonds by the Registered Owners at the principal corporate trust office or offices of the Bond Registrar. Notwithstanding the foregoing, payment on any Bonds registered in the name of DTC or its nominee shall be made in accordance with the relevant Letter of Representations.

Section 8. Redemption and Purchase of Bonds.

(a) **Optional Redemption.** All or some of the Bonds may be subject to redemption prior to their stated maturity dates at the option of the City at the times and on the terms set forth in the Bond Resolution.

(b) **Mandatory Redemption.** The City shall redeem any Term Bonds, if not redeemed under the optional redemption provisions set forth in the Bond Resolution or purchased under the provisions set forth below, by lot (or in such other manner as the Bond Registrar shall determine) at par plus accrued interest on the dates and in the years and principal amounts as set forth in the Bond Resolution.

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

(c) **Partial Redemption.** Whenever less than all of the Bonds of a single maturity of series are to be redeemed, the Bond Registrar shall select the Bonds or portions thereof to be redeemed from the Bonds of that maturity by lot, or in such other manner as the Bond Registrar shall determine, except that for so long as the Bonds are registered in the name of DTC or its nominee, DTC shall select the Bonds or portions thereof to be redeemed in accordance with the relevant Letter of Representations. In no event shall any Bond be outstanding in a principal amount that is not an authorized denomination.

Portions of the principal amount of any Bond, in integral amounts of \$5,000, may be redeemed, unless otherwise provided in the Bond Resolution. If less than all of the principal amount of any Bond is redeemed upon surrender of that Bond at the principal offices of the Bond Registrar, there shall be issued to the Registered Owner, without charge therefor, a new Bond (or Bonds, at the option of the Registered Owner) of the same series, maturity, and interest rate in any of the denominations authorized by the Bond Resolution in the aggregate total principal amount remaining unredeemed.

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

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

Section 9. Notice of Redemption.

The City shall cause notice of any intended redemption of Bonds to be given not less than 30 nor more than 60 days prior to the date fixed for redemption by first-class mail postage prepaid, to the Registered Owner of any Bond to be redeemed at the address appearing on the Bond Register at the time the Bond Registrar prepares the notice, and the requirements of this sentence shall be deemed to have been fulfilled when notice has been mailed as so provided, whether or not it is actually received by the Registered Owner of any Bond. Interest on Bonds called for redemption shall cease to accrue on the date fixed for redemption unless the Bonds or Bonds called are not redeemed when presented pursuant to the call. In addition, the redemption notice shall be mailed by the Bond Registrar within the same period, postage prepaid, to Moody's Investors Service Inc., and Standard & Poor's Ratings Service a Division of The McGraw-Hill Companies Inc., at their offices in New York, New York or their successors, to any bond insurer of the Bonds, and to such other persons as the Director of Finance shall determine or specify in the Bond Resolution, but none of these additional mailings shall be a condition precedent to the redemption of Bonds.

Section 10. Failure to Pay Bonds.

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

Section 11. Form and Execution of Bonds.

The Bonds shall be typed, printed, photocopied, or lithographed on good quality paper in a form consistent with the provisions of this ordinance, the Bond Resolution and State law; shall be signed by the Mayor and Director of Finance, either or both whose signatures may be manual or in facsimile; and the seal of the City or a facsimile reproduction thereof shall be impressed and printed thereon.

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

CERTIFICATE OF AUTHENTICATION

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

BOND REGISTRAR

By
Authorized Signer

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

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

Section 12. Bond Registrar.

The Registrar shall keep, or cause to be kept, at its principal corporate trust office, sufficient books for the registration and transfer of Bonds, which shall be open to inspection by the City at all times. The Bond Registrar shall be authorized, on behalf of the City, to authenticate and deliver Bonds transferred or exchanged in accordance with the provisions of the Bonds and this ordinance, to serve as the City's paying agent for the Bonds, and to carry out all of the Bond Registrar's powers and duties under this ordinance and Section 5.10 of the Municipal Code Chapter 5.10 establishing a system of registration for the City's bonds and obligations, as that chapter now exists and may hereafter be amended. The City reserves the right in its discretion to appoint special paying agents, registrars, or trustees in connection with the payment of some or all of the principal of, premium, if any, or interest on the Bonds. If a new Bond Registrar is appointed by the City, notice of the name and address of the new Bond Registrar shall be mailed to the Registered Owners of the Bonds appearing on the Bond Register at the time the Bond Registrar prepares the notice. The notice may be mailed together with the next interest payment due on the Bonds to the extent practicable, shall be mailed no later than the Record Date for any principal payment or redemption date of any Bond.

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

Section 13. Pledge of Taxes.

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

Section 14. Preservation of Tax Exemption for Tax-Exempt Bonds. The City covenants that it will take all actions, consistent with the terms of the Bonds issued on a tax-exempt basis (the "Tax-Exempt Bonds"), this ordinance, and the Bond Resolution, reasonably within its power and necessary to prevent interest on the Tax-Exempt Bonds from being included in gross income for federal income tax purposes, and the City will neither take any action nor make or permit any use of proceeds of the Tax-Exempt Bonds or other funds of the City treated as proceeds of the Tax-Exempt Bonds at any time during the term of the Tax-Exempt Bonds which will cause interest on the Tax-Exempt Bonds to be included in gross income for federal income tax purposes.

Section 15. Continuing Maturity. The City shall undertake to provide for the benefit of holders of the Bonds certain annual financial information and operating data of the type included in the final official statement for those Bonds, as well as disclosure of certain material events respecting the Bonds, in the manner and to the extent required by United States Securities and Exchange Commission Rule 15c211(b)(3). The particular terms of any such undertaking shall be set forth in the Bond Resolution.

Section 16. Refunding or Defeasance of the Bonds. The Bonds are hereby designated "Refundable Bonds" for purposes of Ordinance 121651. The City may issue refunding bonds pursuant to the laws of the State or use money available from any other lawful source to pay when due the principal of premium, if any, and interest on the Bonds, or portion thereof included in a refunding or defeasance plan, and to redeem and retire, release, refund, or defease those Bonds (the "defeased Bonds") and to pay the costs of such refunding or defeasance. If money and/or government obligations (as that term is defined in RCW 38.53.010, as it now exists or may hereafter be amended) maturing at a time or times and in an amount sufficient in amount, together with known earned income from the investment thereof, to redeem and retire, release, refund, or defease the defeased Bonds in accordance with their terms, are set aside in a special trust fund or escrow account irrevocably pledged to such redemption, retirement, or defeasance (the "trust account"), then all right and interest of the owners of the defeased Bonds in the covenants of this ordinance and in the net Revenue and the funds and accounts pledged to the payment of such defeased Bonds, other than the right to receive the principal and interest, shall be assigned, in whole, to the trust account and pledged, thereafter shall cease and become void. Such owners thereafter shall have the right to receive the principal and interest of and interest or redemption price on the defeased Bonds from the trust account. The City shall include in the refunding or defeasance plan such provisions as the City deems necessary for the random selection of any defeased Bonds, and shall constitute less than all of a particular maturity of the Bonds, for notice of the defeasance to be given to the Registered Owners of the defeased Bonds, and to such other persons as the City shall determine, and for any required replacement of Bond certificates for defeased Bonds.

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

Section 17. Salvage Bonds. The Director of Finance may provide for the sale of each series of the Bonds (or any portion thereof) by public sale or by a negotiated sale with an underwriter to be selected and approved by the Director of Finance. The Director of Finance is authorized to specify a date and time of sale of the Bonds, to give notice of that sale, to determine any bid requirements and criteria for determining the award of the bid, to provide for the use of an electronic bidding mechanism, and to specify other matters in his or her determination necessary, appropriate, or desirable to carry out the sale of the Bonds. The terms of that sale shall be consistent with this ordinance and the Bond Resolution and shall be confirmed by the Bond Resolution. The Bonds shall be delivered to the purchasers as provided in the Bond Resolution immediately upon payment to the City of the purchase price plus accrued interest, if any, to the date of closing in immediately available federal funds in Seattle, Washington, at the City's expense or at another time or place upon which the Director of Finance and the purchaser may mutually agree at the purchaser's expense.

CUSIP numbers will be printed on the Bonds if requested by the purchaser, but not on the refunding or defeasance Bonds. No error with respect thereto shall constitute cause for a failure or refusal by the purchasers to accept delivery of and pay for the Bonds in accordance with the purchase offer. All expenses in relation to the printing of CUSIP numbers on the Bonds shall be paid by the City, but the fee of the CUSIP Service Bureau for the assignment of those numbers shall be the responsibility of and shall be paid by the purchaser.

The City will cause the Bonds to be typed, photocopied, printed, or lithographed, mailed, and executed and will furnish the approving legal opinion of Bond Counsel, the opinion also being printed on each Bond unless the Bond is typed or photocopied.

Section 18. Temporary Bonds. Pending the printing, execution, and delivery to the purchasers of definitive Bonds, the City may cause to be executed and delivered to the purchasers a single temporary Bond for each series in the total principal amount of the Bonds of that series. Each temporary Bond shall bear the same date of issuance, interest rate, principal payment dates, and terms and covenants as the definitive Bonds, shall be issued as a fully registered Bond in the name of the purchasers or their nominees, and shall be in such form as is acceptable to the purchasers. Each temporary Bond shall be exchanged for the relevant definitive Bonds as soon as they are printed, executed, and available for delivery.

Section 19. Deposit and Use of Proceeds. Unless provided otherwise in the Bond Resolution, the principal proceeds and premium, if any, received from the sale and delivery of the Bonds shall be paid into or allocated to the 2007 Multipurpose LTGO Bond Fund, which is hereby created in the City Treasury, or in such other funds, accounts, or subaccounts of the City Treasury as the Director of Finance may designate, and used to pay all or part of the costs of the Projects, issuing and selling the Bonds, and for other City purposes approved by ordinance.

The Director of Finance may (i) establish and transfer proceeds of the Bonds among funds, accounts, or subaccounts in the City Treasury, or (ii) make inter-fund loans pursuant to Seattle Municipal Code Section 5.06.030 or from other City accounts or funds, all on terms he or she may deem necessary, appropriate, or desirable to carry out the purposes of this ordinance and consistent with the Bond Resolution. Enactment of this ordinance authorizes the transfer of amounts from the 2007 Multipurpose LTGO Bond Fund to other funds in order to carry out the purposes of this ordinance.

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

Any proceeds of Bonds remaining after paying the costs of the Projects, issuing and selling the Bonds, and for other City purposes approved by ordinance, and for the purposes set forth in this Section, or after the City Council has determined that the expenditure of such Bond proceeds for those purposes is no longer necessary or appropriate, may be used to pay principal of and interest on the Bonds consistent with applicable law.

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

Section 20. General Authorization. The Mayor and the Director of Finance and each of the other appropriate officers of the City are each authorized and directed to do everything as in their judgment may be necessary, appropriate, or desirable in order to carry out the terms and provisions of, and complete the transactions contemplated by, this ordinance. In particular, and without limitation, the Director of Finance may, in his or her discretion and without further action by the City Council, (i) issue requests for proposals for underwriting or financing facilities and execute engagement letters with underwriters, bond insurers or other financial institutions based on responses to such requests, (ii) deem final and approve the distribution of any preliminary official statement or official statement relating to the Bonds, (iii) comply with any continuing disclosure requirements applicable to the Bonds, and (iv) change the Bond Registrar or Securities Depository for the Bonds.

Section 21. Amendment of Ordinance 121651. The definition of Refundable Bonds in Section 1 of Ordinance 121651 is amended to read as follows (addition is underlined). All other definitions in Section 1 of Ordinance 121651 shall remain in full force and effect.

"LTGO Refundable Bonds" means all or a portion of the outstanding limited tax general obligation bonds of the City listed in Exhibit A hereto, and all or a portion of limited tax general obligation bonds issued in the future in the future that have been designated as Refundable Bonds in the ordinance authorizing their issuance.

Section 2 of Ordinance 121651 is amended to read as follows (addition is underlined, and deletion is in double parentheses and struck through):

Section 2. Authorization and Defeasance of Bonds. For the purpose of providing all or part of the funds with which to pay the cost of refunding, defeasing, or refunding and defeasing the LTGO Refundable Bonds and to pay all or part of the costs of issuing and selling the LTGO Refundable Bonds, the City is authorized to borrow money on the credit of the City and issue LTGO Refundable Bonds evidencing that indebtedness (the maximum principal amount of not to exceed \$906,000,000). The maximum principal amount of any series of LTGO Refundable Bonds shall not exceed 12 1/2% of the outstanding principal amount of the Refundable Bonds as refinanced by that series of LTGO Bonds.

For the purpose of providing all or part of the funds with which to pay the cost of refunding, or refunding and defeasing, the LTGO Refundable Bonds and to pay all or part of the costs of issuing and selling the LTGO Refundable Bonds, the City is authorized to borrow money on the credit of the City and issue LTGO Refundable Bonds evidencing that indebtedness in the maximum principal amount, unless otherwise permitted by RCW 38.53.090, of not to exceed the principal amount of the LTGO Refundable Bonds.

The Bonds may be issued in one or more series; may be combined with other general obligation bonds authorized separately; shall have such year and series or other designation as determined by the Director of Finance or as specified by the Bond Resolution consistent with the provisions of this ordinance; shall be dated as specified by the Bond Resolution; shall be in the denomination of \$5,000 or any integral multiple thereof within a single maturity or such other denomination within a maturity as specified by the Bond Resolution; shall be numbered separately, in the manner and with any additional designation as the Bond Registrar deems necessary for the purpose of identification; shall bear interest payable on the dates as specified by the Bond Resolution, at such rate or rates as specified and approved by the Bond Resolution, except that the net interest cost shall not exceed a weighted average rate of 8% per annum; and shall mature on the dates and in years and amounts as specified by the Bond Resolution. All or some of the Bonds may be Term Bonds, as specified by the Bond Resolution. Unless otherwise permitted by RCW 38.53.090, (i) the various annual maturities of Bonds issued to refund LTGO Refundable Bonds shall not extend over a longer period of time than those LTGO Refundable Bonds, and (ii) the final maturity of any series of Bonds shall not exceed 30 years from the date of issuance.

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

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

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

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

Passed by the City Council the 20th day of November, 2006, and signed by me in open session in authentication of its passage this 20th day of November, 2006.

NICK LICATA, Mayor
President of the City Council
Approved by me this 22nd day of November, 2006.
GREGORY J. NICKELS, Mayor
Filed by me this 22nd day of November, 2006.
(Seal) JUDITH E. PIPPIN, City Clerk

Attachment
Exhibit A - Description of Projects
EXHIBIT A

DESCRIPTION OF PROJECTS	Description -- Approximate Principal Amount
Zoo Garden	-- \$18,848,000
Northgate Land Acquisition	-- 8,837,000
Magnuson Park Building 27 Renovation	-- 7,210,000
Aquarium	-- 6,876,000
Parking Pay Stations	-- 3,503,000
Alaska Tunnel/Sewall	-- 4,130,000
Monroe Rehabilitation	-- 4,636,000
Total	-- \$54,728,000

Publication ordered by JUDITH PIPPIN, City Clerk.
Date of publication in the Seattle Daily Journal of Commerce, December 4, 2006.
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