

Ordinance No. 122848

Council Bill No. 116363

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, refunding bonds of the Pike Place Market Preservation and Development Authority, 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 ratifying and confirming certain prior acts.

CF No. _____

Date Introduced:	<u>10-13-08</u>	
Date 1st Referred:	To: (committee)	
<u>10-13-08</u>	<u>Budget</u>	
Date Re - Referred:	To: (committee)	
Date Re - Referred:	To: (committee)	
Date of Final Passage:	Full Council Vote: <u>9-0</u>	
<u>11-24-08</u>		
Date Presented to Mayor:	Date Approved: <u>12-2-08</u>	
<u>11-25-08</u>		
Date Returned to City Clerk:	Date Published:	T.O. <input checked="" type="checkbox"/> F.T. <input checked="" type="checkbox"/>
<u>12-4-08</u>	<u>21</u>	
Date Vetoed by Mayor:	Date Veto Published:	
Date Passed Over Veto:	Veto Sustained:	

The City of Seattle - Legislative Department

Council Bill/Ordinance sponsored by: _____ Councilmember

Committee Action:

11/17/08 PASS 9-0

11-24-08 Passed 9-0

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

Law Department

Law Dept. Review

OMP Review

City Clerk Review

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Indexed



City of Seattle

Gregory J. Nickels, Mayor

Office of the Mayor

September 29, 2008

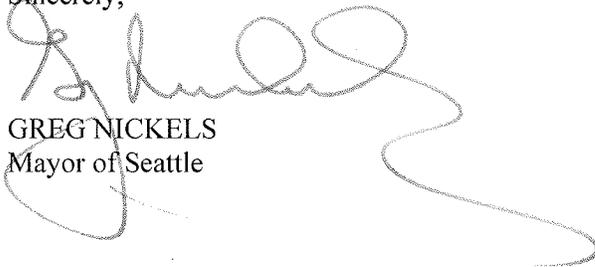
Honorable Richard Conlin
President
Seattle City Council
City Hall, 2nd Floor

Dear Council President Conlin:

I am pleased to transmit the attached proposed Council Bill that authorizes the issuance of up to \$121 million of limited tax general obligation bonds to support the City of Seattle's Capital Improvement Program (CIP) and to refund certain Pike Place Market bonds guaranteed by the City. The CIP identifies debt financing for specific projects, including transportation-oriented projects in the Bridging the Gap initiative, Northgate Park, and Rainier Beach Community Center. While the debt service on these bonds is appropriated in the budget, actual issuance of the bonds requires the legal authority that is provided by the attached Council Bill.

Thank you for your consideration of this legislation. Should you have questions, please contact Michael van Dyck at 684-8347.

Sincerely,



GREG NICKELS
Mayor of Seattle

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1 **“Bond Register”** means the books or records maintained by the Bond Registrar for the
2 purpose of registration of the Bonds.

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

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

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

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

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

17 **“Director of Finance”** means the Director of the Department of Finance of the City, or
18 any other officer who succeeds to substantially all of the responsibilities of that office specified
19 in the ordinance.

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

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

25 **“Pike PDA”** means the Pike Place Market Preservation and Development Authority.
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1 general obligation debt in the principal amount of \$149,974,772 incurred within the limit of up to
2 2.5% of the value of the taxable property within the City for general municipal capital purposes
3 only, net unlimited tax general obligation debt in the principal amount of \$10,650,228 incurred
4 within the additional limit of up to 2.5% of the value of the taxable property within the City for
5 utility purposes, and no unlimited tax general obligation debt incurred within the additional limit
6 of up to 2.5% of the value of the taxable property within the City for parks and open space
7 purposes, issued pursuant to votes of the qualified voters of the City.

8 **Section 3. Authorization and Description of Bonds.** For the purposes of paying all or
9 part of the costs of the Projects, the Pike PDA Refunding, issuing and selling the Bonds, and for
10 other City purposes approved by ordinance, the City is authorized to borrow money on the credit
11 of the City and issue limited tax general obligation bonds evidencing indebtedness in the
12 maximum principal amount of not to exceed \$121 million. The general indebtedness to be
13 incurred shall be within the limit of up to 1.5% of the value of the taxable property within the
14 City permitted for general municipal purposes without a vote of the qualified voters therein. The
15 Bonds may be issued in one or more series; may be combined with other general obligation
16 bonds authorized separately; shall be designated Limited Tax General Obligation Bonds and
17 shall have such year and series or other designation as determined by the Director of Finance or
18 as specified by the Bond Resolution consistent with the provisions of this ordinance; shall be
19 dated as specified by the Bond Resolution; shall be in the denomination of \$5,000 or any integral
20 multiple thereof within a single maturity or such other denomination within a maturity as
21 specified by the Bond Resolution; shall be numbered separately, in the manner and with any
22 additional designation as the Bond Registrar deems necessary for the purpose of identification;
23 and shall bear interest payable on the dates as specified by the Bond Resolution at such rate or
24 rates as specified and approved by the Bond Resolution, which rate or rates may be fixed or
25 variable, except that (i) if the interest rate on the Bonds is fixed, the net interest cost shall not
26 exceed a weighted average rate of 10% per annum, and (ii) if the interest rate on the Bonds is
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1 variable, the net interest cost during the initial interest rate period for the initial series of Bonds
2 shall not exceed a weighted average rate of 10% per annum. The Bonds shall mature on the
3 dates and in years and amounts as specified by the Bond Resolution, except that the final
4 maturity of any series of Bonds shall not exceed 30 years from the date of issuance. All or some
5 of the Bonds may be Term Bonds, as specified by the Bond Resolution.

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



1 and, to the extent permitted by law, may act as depository for and permit any of its officers or
2 directors to act as members of, or in any other capacity with respect to, any committee formed to
3 protect the rights of the Registered Owners of the Bonds.

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

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

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



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

22 After the establishing and full funding of such a trust account, the defeased Bonds shall
23 be deemed as no longer outstanding, and the City then may apply any money in any other fund
24 or account established for the payment or redemption of the defeased Bonds to any lawful
25 purposes as it shall determine.
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1 payment dates, and terms and covenants as the definitive Bonds, shall be issued as a fully
2 registered Bond in the name of the purchasers or their nominees, and shall be in such form as is
3 acceptable to the purchasers. Each temporary Bond shall be exchanged for the relevant
4 definitive Bonds as soon as they are printed, executed, and available for delivery.

5 **Section 19. Deposit and Use of Proceeds.** Unless provided otherwise in the Bond
6 Resolution, the principal proceeds and premium, if any, received from the sale and delivery of
7 the Bonds shall be paid into or allocated to the 2009 Multipurpose LTGO Bond Fund, which is
8 hereby created in the City Treasury, or in such other funds, accounts, or subaccounts of the City
9 Treasury as the Director of Finance may designate, and used to pay all or part of the costs of the
10 Projects, the Pike PDA Refunding, issuing and selling the Bonds, and for other City purposes
11 approved by ordinance.

12 The Director of Finance may (i) establish and transfer proceeds of the Bonds among
13 funds, accounts, or subaccounts in the City Treasury, or (ii) make interfund loans pursuant to
14 Seattle Municipal Code Section 5.06.030 to or from other City accounts or funds, all on terms he
15 or she may deem necessary, appropriate, or desirable to carry out the purposes of this ordinance
16 and consistent with the Bond Resolution. Enactment of this ordinance authorizes the transfer of
17 amounts from the 2009 Multipurpose LTGO Bond Fund to other funds in order to carry out the
18 purposes of this ordinance.

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

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

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

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

24 **Section 21. Severability.** The provisions of this ordinance are declared to be separate
25 and severable. If a court of competent jurisdiction, all appeals having been exhausted or all
26 appeal periods having run, finds any provision of this ordinance to be invalid or unenforceable as
27



1 to any person or circumstance, such offending provision shall, if feasible, be deemed to be
2 modified to be within the limits of enforceability or validity. However, if the offending
3 provision cannot be so modified, it shall be null and void with respect to the particular person or
4 circumstance, and all other provisions of this ordinance in all other respects, and the offending
5 provision with respect to all other persons and all other circumstances, shall remain valid and
6 enforceable.

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

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

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1 **EXHIBIT A**

2 **DESCRIPTION OF PROJECTS**

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Description	Approximate Principal Amount
Alaska Way Viaduct/Seawall	1,823,100
IT Servers & Storage	2,884,000
IT Software Migration & Management	6,821,690
Jail	5,793,750
North Precinct	1,452,300
Northgate Land	6,530,200
Northgate Park	4,356,900
Pike Place Market	18,540,000
Rainier Beach Community Center	4,635,000
Trails (BTG & Prop. 2)	7,519,000
Arterial Asphalt & Concrete (BTG)	15,450,000
Bridge Rehab (BTG)	14,771,230
King Street Station (BTG)	1,764,952
Spokane (BTG)	23,318,170
Market 96 Refunding	4,768,900
Total	\$120,429,192

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2009 BUDGET LEGISLATION FISCAL NOTE

Department:	Contact Person/Phone:	DOF Analyst/Phone:
Finance	Michael van Dyck (4-8347)	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, refunding bonds of the Pike Place Market Preservation and Development Authority, 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 ratifying and confirming certain prior acts

- Summary of the Legislation:

This legislation provides the legal authorization to issue up to \$121 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 2009 LTGO bonds. Total debt service is expected to be about \$2.9 million in 2009 and \$ 13.7 million in 2010.



Table 1
2009 Various Purpose LTGO Bond Issue (\$1,000's)

Project	Capital Costs	Principal (incl. 3% pricing adj. & costs)	Term	Approx. Rate	Approx. 2009 Debt Service	Approx. 2010 Debt Service	Paid From
Alaskan Way Viaduct/Seawall	1,770	1,823	10	4.8%	43	233	GF
IT Servers & Storage	2,800	2,884	3	4.3%	61	1,044	DoIT
IT Software Migration & Mgt.	6,623	6,822	4	4.3%	145	1,890	DoIT(1)
Jail	5,625	5,794	25	5.3%	152	421	GF
North Precinct	1,410	1,452	25	5.3%	38	106	GF
Northgate Land	6,340	6,530	20	5.3%	171	535	GF
Northgate Park	4,230	4,357	10	4.8%	103	557	GF
Pike Place Market	18,000	18,540	5	4.5%	417	4,223	PPMRF(2)
Rainier Beach Community Center	4,500	4,635	10	4.8%	110	593	BIRF(3)
Trails (BTG + Prop 2)	7,300	7,519	5	4.5%	169	338	BIRF(4)
Arterial Asphalt & Concrete (BTG Levy)	15,000	15,450	6	4.5%	348	695	SDOT(5)
Bridge Rehab (BTG)	14,341	14,771	20	5.3%	388	1,211	SDOT(6)
King Street Station (BTG)	1,714	1,765	19	5.0%	44	146	SDOT(6)
Spokane (BTG)	22,639	23,318	20	5.3%	612	1,224	SDOT(6)
Market 96 Refunding	4,630	4,769	13	4.3%	102	486	BIRF(7)
TOTAL	116,922	120,429			2,905	13,704	

- (1) DoIT to pay debt service in 2009-2010. Debt service in 2011-2012 shall be cost-allocated.
- (2) Proceeds from City voted levy/lid lift.
- (3) Most of 2009 and 2010 debt service to be paid by residual balances in BIRF and \$110,082 in 2010 from GF.
- (4) Interest earnings for 2009. For 2010, \$175,000 from BTG and \$163,355 from BIRF. For 2011 and forward, BTG and Prop 2.
- (5) Approximately 75% paid by BTG Levy and 25% by BTG employee and commercial parking tax revenues.
- (6) BTG employee and commercial parking tax revenue.
- (7) Refunding of Market's 1996 Bonds depend on interest rates. Debt service to be paid by Market.

Debt financing for all new projects listed above has been assumed in the City of Seattle 2009-2010 Budget and 2009-2014 CIP. Please see the City of Seattle 2009-2010 Budget and 2009-2014 Capital Improvement Program (CIP) for these projects listed above. The refunding of the 1996 Pike Place Market bonds will save the Market an estimated present value of \$400,000 (8.5%), or \$40,000 per year. The Market will continue to pay annual debt service on these bonds. The refunded bonds were originally issued by the Market and guaranteed by the City. By the City issuing the refunding bonds directly, both interest rates and transactions costs are expected to be considerably lower. As was the case for the refunded bonds, the City will only be required to make debt service payments on the bonds if the Market is unable to do so. This refunding has virtually no net effect on the City's legal debt capacity.

- 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) No.



STATE OF WASHINGTON – KING COUNTY

--SS.

232343
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.

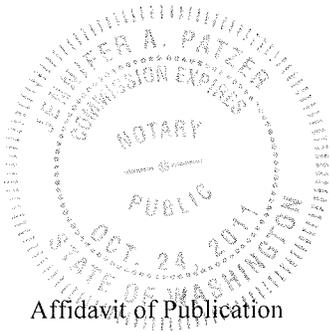
The notice in the exact form annexed, was published in regular issues of The Daily Journal of Commerce, which was regularly distributed to its subscribers during the below stated period. The annexed notice, a

CT:122848 ORDINANCE

was published on

12/11/08

The amount of the fee charged for the foregoing publication is the sum of \$1,313.68, which amount has been paid in full.



Subscribed and sworn to before me on

12/11/08

Notary public for the State of Washington,
residing in Seattle

Ord 122848 (1/2)

City of Seattle

ORDINANCE 122848

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, refunding bonds of the Pike Place Market Preservation and Development Authority, 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 ratifying and confirming certain prior acts.

WHEREAS, The City of Seattle, Washington (the "City"), has determined that it is in its best interest that certain capital improvement program projects hereafter identified, be financed by the issuance of limited tax general obligation bonds of the City in principal amount not to exceed \$121 million; and

WHEREAS, the City has determined that it is in its best interest to assist the Pike Place Market Preservation and Development Authority (the "Pike PDA") to lower the Pike PDA's borrowing costs by refunding that entity's Special Revenue Refunding Bonds, 1996; 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 novoted indebtedness of the City in excess of 1.5% of the value of taxable property within the city as computed in accordance with RCW 39.36.030; and

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

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. Definitions. As used in this ordinance, the following 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 Fund and Redemption Fund, previously created by Ordinance 122121 and established and to be used for the payment of the principal of, premium, if any, and interest on the Bonds.

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

"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.

"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.

"Pike PDA" means the Pike Place Market Preservation and Development Authority.

"Pike PDA Refunding" means the loan or other transfer of Bond proceeds from the City to the Pike PDA for the redemption and retirement of the outstanding Pike PDA Special Revenue Refunding Bonds, 1996.

"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 2008 is \$121,621,130,668. The City has outstanding net general indebtedness evidenced by limited tax general obligation bonds, installment purchase contracts, lease purchase agreements and other indebtedness (without es), as of June 30, 2008, in the principal amount of \$793,408,854 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 \$149,974,772 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 \$10,650,228 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 Description of Bonds. For the purposes of paying all or part of the costs of the Projects, the Pike PDA Refunding, 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 \$121 million. 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 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 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, and 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, counterparties, 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 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 Resolution).

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 or 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 person to receive payment in the event of a partial redemption of the Bonds; or (vi) any consent given or other action taken by DTC as 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 the 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 the 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 case 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 evidencing the Bonds.

Section 6. Mutilated, Lost, Stolen and Destroyed Bonds. In case any Bonds shall become mutilated or be destroyed, stolen, or lost, the City may, if not then prohibited or otherwise required by law, cause to be executed and delivered a new Bond of like amount, series, interest rate, maturity date, and tenor in exchange and substitution for 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 of 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 the City and the Bond Registrar with indemnity satisfactory to each of them. If the mutilated, destroyed, stolen, or lost Bond already has matured or been called for redemption in accordance with its terms, it shall not be necessary to issue a new Bond prior to payment. If the provisions of State law at any time differ from the provisions of this section with respect to the requirements or procedures for replacing or otherwise handling mutilated, lost, 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 on the Record Date (or other record date established in the Bond Resolution). Principal of, 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 of 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 so redeemed or purchased (irrespective of their redemption or purchase prices) shall be credited at the par amount thereof against the remaining mandatory redemption requirements 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 a 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.

Ord 122898 (2/2)

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 Bond 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 Services, a Division of The McGraw-Hill Companies, Inc., at their offices in New York, New York, or their successors, to any bond insurer for the Bonds, and to such other persons and with such additional information as the Director of Finance shall determine or as specified 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 that Bond, principal, premium, if any, and interest, is paid in full or until sufficient money for its payment in full is on deposit in the Bond Fund and that Bond has been called for payment by giving notice of that call to the Registered Owner of that Bond.

Section 11. Form and Execution of Bonds. The Bonds shall be typed, printed, photocopied, or lithographed on good bond 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 of whose signatures may be manual or in facsimile; and the seal of the City or a facsimile reproduction thereof shall be impressed or printed thereon.

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

CERTIFICATE OF AUTHENTICATION

This Bond is one of the fully registered The City of Seattle, Washington, Limited Tax General Obligation Bonds, [Year] [Series], 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 duly 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 Bonds.

Section 12. Bond Registrar. The Bond Registrar shall keep, or cause to be kept, at its principal corporate trust office, sufficient books for the registration and transfer of the Bonds, which shall be open to inspection by the City at all times. The Bond Registrar is authorized, on behalf of the City, to authenticate and deliver Bonds transferred or exchanged in accordance with the provisions of the Bonds and this ordinance, to serve as the City's paying agent for the Bonds, and to carry out all of the Bond Registrar's powers and duties under this ordinance and Seattle Municipal Code Chapter 5.10 establishing a system of registration for the City's bonds and obligations, as that chapter now exists or 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, but, 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 representation contained in the Bond Registrar's Certificate of Authentication on the Bonds. The Bond Registrar may become the Registered Owner of Bonds with the same rights it would have if it were not the Bond Registrar and, to the extent permitted by law, may act as depository for and permit any of its officers or directors to act as members of, or in any other capacity with respect to, any committee formed to protect the rights of 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 of and interest on the Bonds, and the full faith, credit, and resources of the City are pledged irrevocably for the annual levy and collection of those taxes and the prompt payment of that principal and interest.

Section 14. Preservation of Tax Exemption for Interest on 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 Disclosure. 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 15c2-12(b)(5). 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 39.53.010, 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 funds so set aside and pledged, thereafter shall cease and become void. Such owners thereafter shall have the right to receive payment of the principal of and interest or redemption price on the defeased Bonds from the trust account. 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 that 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. Sale of Bonds. The Director of Finance may provide for the sale of each series of the Bonds (or any portion thereof) by public sale or by a negotiated sale with an underwriter or other financial institution chosen through a selection process acceptable to the Director of Finance. The Director of Finance is authorized to specify a date and time of sale of 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 purchasers, but neither failure to print CUSIP numbers on any Bond nor 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 purchasers.

The City will cause the Bonds to be typed, photocopied, printed, or lithographed, sealed, 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 rates, 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 2009 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, the Pike PDA Refunding, 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 interfund loans pursuant to Seattle Municipal Code Section 5.06.030 to or from other City accounts or funds, all on terms he or she may deem necessary, appropriate, or desirable to carry out the purposes of this ordinance and consistent with the Bond Resolution. Enactment of this ordinance authorizes the transfer of amounts from the 2009 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, the Pike PDA Refunding, 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, (iv) change the Bond Registrar or Securities Depository for the Bonds; and (v) carry out the Pike PDA Refunding and negotiate and execute an agreement between the City and the Pike PDA that provides, among other things, for periodic payments by the Pike PDA to reimburse the City for debt service on the portion of the Bonds issued to carry out the Pike PDA Refunding.

Section 21. 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 22. 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 23. Section Headings. The section headings in this ordinance are used for convenience only and shall not constitute a substantive portion of this ordinance.

[remainder of page intentionally left blank]

Section 24. 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 24th day of November, 2008, and signed by me in open session in authentication of its passage this 24th day of November, 2008.

Richard Conlin

President of the City Council

Approved by me this 2nd day of December, 2008.

Gregory J. Nickels, Mayor

Filed by me this 4th day of December, 2008.

(Seal) Judith Pippin, City Clerk

Attachment

Exhibit A - Description of Projects

See City Clerk for Attachments

Publication ordered by JUDITH PIPPIN, City Clerk

Date of publication in the Seattle Daily Journal of Commerce, December 11, 2008.

12/11(232343)