

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

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

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

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

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

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

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

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

21 **“Letter of Representations”** means the Blanket Issuer Letter of Representations
22 between the City and DTC dated October 4, 2006, as it may be amended from time to time.

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



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

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

6 **“Securities Depository”** means DTC or such other securities depositories as the City
7 may designate in a certificate of the City delivered to the Bond Registrar.

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

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

14 **“Tax-Exempt Bonds”** means Bonds of any series, the interest on which is intended on
15 the date of issuance to be excluded from gross income for federal income tax purposes.

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

19 **Section 2. Debt Capacity.** The assessed valuation of the taxable property of the City as
20 ascertained by the last preceding assessment for City purposes for the collection of taxes in the
21 calendar year 2011 is \$120,116,825,861. The City has outstanding net general indebtedness
22 evidenced by limited tax general obligation bonds, installment purchase contracts, lease purchase
23 agreements and other indebtedness (without including liability for compensated absences), as of
24 June 30, 2011, in the principal amount of \$884,055,049 incurred within the limit of up to 1.5% of
25 the value of the taxable property within the City permitted for general municipal purposes
26 without a vote of the qualified voters therein, and in addition has outstanding net unlimited tax
27

1 general obligation debt in the principal amount of \$118,775,000 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 \$1,350,000 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, issuing and selling the Bonds, and for other City purposes
10 approved by ordinance, the City is authorized to borrow money on the credit of the City, and
11 issue limited tax general obligation bonds evidencing indebtedness in the maximum principal
12 amount of not to exceed \$52.1 million. The general indebtedness to be incurred shall be within
13 the limit of up to 1.5% of the value of the taxable property within the City permitted for general
14 municipal purposes without a vote of the qualified voters therein. The Bonds may be issued in
15 one or more series; may be combined with other general obligation bonds authorized separately;
16 shall be designated Limited Tax General Obligation Bonds and shall have such year and series or
17 other designation as determined by the Director of Finance or as specified by the Bond
18 Resolution consistent with the provisions of this ordinance; shall be dated as specified by the
19 Bond Resolution; shall be in the denomination of \$5,000 or any integral multiple thereof within a
20 single maturity or such other denomination within a maturity as specified by the Bond
21 Resolution; shall be numbered separately, in the manner and with any additional designation as
22 the Bond Registrar deems necessary for the purpose of identification; and shall bear interest
23 payable on the dates as specified by the Bond Resolution at such rate or rates as specified and
24 approved by the Bond Resolution, which rate or rates may be fixed or variable, except that (i) if
25 the interest rate on the Bonds is fixed, the net interest cost shall not exceed a weighted average
26 rate of 10% per annum, and (ii) if the interest rate on the Bonds is variable, the net interest cost
27
28



1 during the initial interest rate period for the initial series of Bonds shall not exceed a weighted
2 average rate of 10% per annum. The Bonds shall mature on the dates and in years and amounts
3 as specified by the Bond Resolution, except that the final maturity of any series of Bonds shall
4 not exceed 30 years from the date of issuance. All or some of the Bonds may be Term Bonds, as
5 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
27



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 Bond Resolution may specify that a series of Bonds is a series of Tax-Exempt
6 Bonds, or is a series of Tax Credit Subsidy Bonds.

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

11 The City Council may, in the Bond Resolution, authorize the Director of Finance to serve
12 as its designated representative and to accept, on behalf of the City, an offer to purchase the
13 Bonds, which offer must be consistent with the terms of this ordinance and the Bond Resolution.
14 Any such authorization of the Director of Finance to accept an offer to purchase the Bonds must
15 also be consistent with terms for the bonds and/or parameters with respect to the Bonds pursuant
16 to RCW 39.46.040.

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

22 Bonds surrendered to the Bond Registrar may be exchanged for Bonds in any authorized
23 denomination of an equal aggregate principal amount and of the same series, interest rate, and
24 maturity. Bonds may be transferred only if endorsed in the manner provided thereon and
25 surrendered to the Bond Registrar. Any exchange or transfer shall be without cost to the
26
27
28



1 Registered Owner or transferee. The Bond Registrar shall not be obligated to exchange or
2 transfer any Bond after notice of redemption of such Bond has been prepared.

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

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

25 For so long as the Bonds are registered in the name of DTC or any nominee thereof, all
26 payments of the principal of, premium, if any, or interest with respect to the Bonds shall be made
27



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

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

16 The City and the Bond Registrar may treat DTC (or its nominee) as the sole and
17 exclusive Registered Owner of the Bonds registered in such name for the purposes of payment of
18 the principal of, premium, if any, or interest with respect to those Bonds, selecting Bonds or
19 portions thereof to be redeemed, giving any notice permitted or required to be given to
20 Registered Owners of Bonds under this ordinance or the Bond Resolution, registering the
21 transfer of Bonds, obtaining any consent or other action to be taken by Registered Owners of
22 Bonds, and for all other purposes whatsoever; and the City and the Bond Registrar shall not be
23 affected by any notice to the contrary. The City and the Bond Registrar shall not have any
24 responsibility or obligation to any direct or indirect DTC participant, any person claiming a
25 beneficial ownership interest in the Bonds under or through DTC or any such participant, or any
26 other person which is not shown on the Bond Register as being a Registered Owner of Bonds,
27
28



1 with respect to: (i) the Bonds; (ii) any records maintained by DTC or any such participant;
2 (iii) the payment by DTC or such participant of any amount in respect of the principal of,
3 premium, if any, or interest with respect to the Bonds; (iv) any notice which is permitted or
4 required to be given to Registered Owners of Bonds under this ordinance or the Bond
5 Resolution; (v) the selection by DTC or any such participant of any person to receive payment in
6 the event of a partial redemption of the Bonds; or (vi) any consent given or other action taken by
7 DTC as Registered Owner of the Bonds.

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

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

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

22 The book-entry system for registration of the ownership of the Bonds delivered in fully
23 immobilized form may be discontinued at any time if: (i) after notice to the City and the Bond
24 Registrar, DTC determines to resign as Securities Depository for the Bonds; or (ii) after notice to
25 DTC and the Bond Registrar, the City determines that a continuation of the system of book-entry
26 transfers through DTC (or through a successor Securities Depository) is not in the best interests
27
28

1 of the City. In each of such events (unless, in the case described in clause (i) above, the City
2 appoints a successor Securities Depository), the Bonds shall be delivered in registered certificate
3 form to such persons, and in such maturities and principal amounts, as may be designated by
4 DTC, but without any liability on the part of the City or the Bond Registrar for the accuracy of
5 such designation. Whenever DTC requests the City and the Bond Registrar to do so, and for so
6 long as clause (ii) above does not apply, the City and the Bond Registrar shall cooperate with
7 DTC in taking appropriate action after reasonable notice to arrange for another Securities
8 Depository to maintain custody of certificates evidencing the Bonds.

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

24 **Section 7. Payment of Bonds.** Principal of, premium, if any, and interest on the Bonds
25 shall be payable in lawful money of the United States of America. Interest on the Bonds shall be
26 paid by checks, drafts, or warrants of the Bond Registrar, or, if requested in writing prior to the
27
28



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

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

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

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

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

25 (c) **Partial Redemption.** Whenever less than all of the Bonds of a single maturity of
26 a series are to be redeemed, the Bond Registrar shall select the Bonds or portions thereof to be
27



1 redeemed from the Bonds of that maturity randomly, or in such other manner as set forth in the
2 Bond Resolution or as the Bond Registrar shall determine, except that, for so long as the Bonds
3 are registered in the name of DTC or its nominee, DTC shall select the Bonds or portions thereof
4 to be redeemed in accordance with the relevant Letter of Representations.

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

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

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

17 **Section 9. Notice of Redemption.** The City shall cause notice of any intended
18 redemption of Bonds to be given not less than 20 nor more than 60 days prior to the date fixed
19 for redemption by first-class mail, postage prepaid, to the Registered Owner of any Bond to be
20 redeemed at the address appearing on the Bond Register at the time the Bond Registrar prepares
21 the notice, and the requirements of this sentence shall be deemed to have been fulfilled when
22 notice has been mailed as so provided, whether or not it is actually received by the Registered
23 Owner of any Bond. Interest on Bonds called for redemption shall cease to accrue on the date
24 fixed for redemption unless the Bond or Bonds called are not redeemed when presented pursuant
25 to the call.



1 In the case of an optional redemption, the notice may state that the City retains the right
2 to rescind the redemption notice and the related optional redemption of Bonds by giving a notice
3 of rescission to the affected registered owners at any time prior to the scheduled optional
4 redemption date. Any notice of optional redemption that is so rescinded shall be of no effect,
5 and the Bonds for which the notice of optional redemption has been rescinded shall remain
6 outstanding.

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

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

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

22 CERTIFICATE OF AUTHENTICATION

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

25 BOND REGISTRAR

26 By _____

27 Authorized Signer



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

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

13 **Section 12. Bond Registrar.** The Bond Registrar shall keep, or cause to be kept, at its
14 principal corporate trust office, sufficient books for the registration and transfer of the Bonds,
15 which shall be open to inspection by the City at all times. The Bond Registrar is authorized, on
16 behalf of the City, to authenticate and deliver Bonds transferred or exchanged in accordance with
17 the provisions of the Bonds and this ordinance, to serve as the City's paying agent for the Bonds,
18 and to carry out all of the Bond Registrar's powers and duties under this ordinance and Seattle
19 Municipal Code Chapter 5.10 establishing a system of registration for the City's bonds and
20 obligations, as that chapter now exists or may hereafter be amended. The City reserves the right
21 in its discretion to appoint special paying agents, registrars, or trustees in connection with the
22 payment of some or all of the principal of, premium, if any, or interest on the Bonds. If a new
23 Bond Registrar is appointed by the City, notice of the name and address of the new Bond
24 Registrar shall be mailed to the Registered Owners of the Bonds appearing on the Bond Register
25 at the time the Bond Registrar prepares the notice. The notice may be mailed together with the
26 next interest payment due on the Bonds, but, to the extent practicable, shall be mailed no later
27 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 are 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 gross proceeds of the Tax-Exempt Bonds at any time during the term of the Tax-Exempt
21 Bonds which will cause interest on the Tax-Exempt Bonds to be included in gross income for
22 federal 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
27

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
26
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 If a series of Bonds is sold and issued as Tax Credit Subsidy Bonds, the Director of
17 Finance is hereby authorized on behalf of the City to take such actions as are necessary or
18 appropriate for the City to receive from the United States Treasury the applicable federal credit
19 payments in respect of such Bonds.

20 CUSIP numbers will be printed on the Bonds unless they are not required by the
21 purchasers, but neither failure to print CUSIP numbers on any Bond nor error with respect
22 thereto shall constitute cause for a failure or refusal by the purchasers to accept delivery of and
23 pay for the Bonds in accordance with the purchase offer. All expenses in relation to the printing
24 of CUSIP numbers on the Bonds shall be paid by the City, but the fee of the CUSIP Service
25 Bureau for the assignment of those numbers shall be the responsibility of and shall be paid by the
26 purchasers.

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

4 **Section 18. Deposit and Use of Proceeds.** Unless provided otherwise in the Bond
5 Resolution, the principal proceeds and premium, if any, received from the sale and delivery of
6 the Bonds shall be paid into or allocated to the 2012 Multipurpose LTGO Bond Fund, which is
7 hereby created in the City Treasury, or in such other funds, accounts, or subaccounts of the City
8 Treasury as the Director of Finance may designate, and used to pay all or part of the costs of the
9 Projects and for other City purposes approved by ordinance. The Director of Finance may use
10 the principal proceeds and any premium to pay for costs of issuance and selling the Bonds, and
11 the Director of Finance also may incur and account for non-cash costs of issuance that are not
12 included as part of the bond proceeds and premium, including but not limited to any underwriters
13 discount.

14 The Director of Finance may (i) establish and transfer proceeds of the Bonds among
15 funds, accounts, or subaccounts in the City Treasury, or (ii) make interfund loans pursuant to
16 Seattle Municipal Code Section 5.06.030 to or from other City accounts or funds, all on terms he
17 or she may deem necessary, appropriate, or desirable to carry out the purposes of this ordinance
18 and consistent with the Bond Resolution. Enactment of this ordinance authorizes the transfer of
19 amounts from the 2012 Multipurpose LTGO Bond Fund to other funds in order to carry out the
20 purposes of this ordinance.

21 There previously has been created and established in the City Treasury the Bond Fund.
22 Accrued interest on the Bonds received from the sale and delivery of the Bonds, if any, together
23 with any net premium received from the sale and delivery of the Bonds that is not necessary to
24 pay the costs of the Projects or costs of issuance and sale of the Bonds, shall be paid or allocated
25 into the Bond Fund prior to the first debt service payment date with respect to those Bonds.
26 Until needed to pay the costs described herein, the City may invest principal proceeds of the
27
28

1 Bonds temporarily in any legal investment, and the investment earnings shall be deposited in
2 such funds and accounts as may be designated by the Director of Finance. Earnings subject to a
3 federal tax or rebate requirement may be withdrawn from any such fund or account and used for
4 those tax or rebate purposes.

5 The Director of Finance may pay principal of and interest on the Bonds with any
6 proceeds of Bonds (including interest earnings thereon) remaining after paying the costs of the
7 Projects, costs of issuing and selling the Bonds, and for the other purposes set forth in this
8 section or otherwise approved by ordinance, or after the City Council has determined that the
9 expenditure of such Bond proceeds and premium for those purposes is no longer necessary or
10 appropriate.

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

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

24 **Section 20. 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 21. 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 22. Section Headings.** The section headings in this ordinance are used for
11 convenience only and shall not constitute a substantive portion of this ordinance.

12 **Section 23. Effective Date.** This ordinance shall take effect and be in force 30 days
13 from and after its approval by the Mayor, but if not approved and returned by the Mayor within
14 10 days after presentation, it shall take effect as provided by Seattle Municipal Code Section
15 1.04.020.

1 Passed by the City Council the ____ day of _____, 2011, and signed by me in open
2 session in authentication of its passage this ____ day of _____, 2011.

3
4 _____
5 President of the City Council

6 Approved by me this ____ day of _____, 2011.

7
8 _____
9 Michael McGinn, Mayor

10 Filed by me this ____ day of _____, 2011.

11
12 _____
13 City Clerk

14
15 (Seal)

16 Attachment

17 Exhibit A – Description of Projects
18
19
20
21
22
23
24
25
26
27
28

EXHIBIT A
DESCRIPTION OF PROJECTS*

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

*Includes issuance costs and pricing adjustments.

2012 BUDGET LEGISLATION FISCAL NOTE

Department:	Contact Person/Phone:	CBO Analyst/Phone:
FAS/CBO	Michael Van Dyck (4-8347)	Hall Walker (3-7065)

Legislation Title: AN ORDINANCE relating to contracting indebtedness; authorizing and providing for the issuance and sale of limited tax general obligation bonds to pay all or part of the 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 bond fund; and ratifying and confirming certain prior acts.

Summary of the Legislation:

This legislation provides the legal authorization to issue up to \$52.1 million of Limited Tax General Obligation (LTGO) bonds for a variety of purposes.

Background:

The City's Capital Improvement Program (CIP) identifies debt financing for certain projects and the City's budget appropriates the associated debt service. The table below lists the projects to be financed by the proceeds of 2012 LTGO bonds. Please see the City's Budget and CIP for information about these projects. Total debt service is expected to be about \$1.9 million in 2012 and \$4.7 million in 2013.

Project	Capital Cost	Approx. Par Amount (1)	Max. Term	Approx. Rate	Debt Service Proposed 2012	Debt Service Estimated 2013	Debt Service Funding Source
Bridge Seismic (BTG)	3,203	3,299	20	5.0%	124	265	SDOT (BTG/CPT) (2)
Mercer (BTG)	5,000	5,150	20	5.0%	193	413	SDOT (BTG/CPT) (2)
Linden (BTG)	6,335	6,525	15	5.0%	245	629	SDOT (BTG/CPT) (2)
Seawall (CPT)	2,800	2,884	20	5.0%	108	231	SDOT (CPT, 2010) (3)
AWV - Parking/Prgm Mgt (CPT)	3,000	3,090	10	4.0%	93	381	SDOT (CPT, 2010) (3)
Mercer West (CPT)	11,173	11,508	20	5.0%	432	923	SDOT (CPT, 2010) (3)
Golf	6,003	6,183	20	5.0%	232	496	DPR
Rainier Beach Community Center	6,726	6,928	20	5.0%	260	556	GF
Library IT	756	779	5	2.0%	12	165	Library
Magnuson 30	5,514	5,679	12	5.0%	213	641	DPR
Total	50,510	52,025			1,910	4,700	

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

X This legislation has financial implications.

Other Implications:

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

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

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

Financing these projects from cash would require very large cuts in operating programs. Since most of the debt-financed capital improvements have a long useful life and interest rates are currently low, it is more practical to spread the costs of these improvements over current and future beneficiaries by issuing bonds.

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

This legislation affects FAS, SDOT, DPR, and the Library.

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

There are no viable alternatives for most of the large capital projects. Cash financing of these projects would require very large operating budget cuts.

- e) Is the legislation subject to public hearing requirements? None

- f) Other Issues: None

Please list attachments to the fiscal note below:



City of Seattle
Office of the Mayor

September 26, 2011

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 for consideration with the 2012 Proposed Budget. This legislation authorizes the issuance of up to \$52.1 million of Limited Tax General Obligation (LTGO) bonds to support the City of Seattle's Capital Improvement Program (CIP). The City's 2012-2017 CIP identifies debt financing for specific projects, including certain transportation-oriented projects, the Rainier Beach Community Center, and golf facilities. While the debt service on these bonds is appropriated in the adopted budget, the 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,

A handwritten signature in black ink, appearing to read "Michael McGinn".

Michael McGinn
Mayor of Seattle

cc: Honorable Members of the Seattle City Council