

CITY OF SEATTLE

ORDINANCE _____

COUNCIL BILL _____

..title

AN ORDINANCE relating to contracting indebtedness; authorizing and providing for the issuance and sale of limited tax general obligation bonds to pay all or part of the costs of various elements of the City’s capital improvement program and for other City purposes approved by ordinance, and to pay the costs of issuance of the bonds; providing parameters for the bond sale terms including conditions, covenants, and other sale terms; amending Ordinance 125197 to rescind and reapprove the authorization for certain previously authorized but unissued debt; and ratifying and confirming certain prior acts.

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WHEREAS, The City of Seattle, Washington (the “City”), has determined that it is in its best interest that certain capital Projects (as identified in this ordinance) be financed by the issuance of limited tax general obligation bonds of the City in principal amount not to exceed ~~\$85~~\$87 million; and

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

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. **Definitions.** As used in this ordinance, the following capitalized terms shall have the following meanings.

“**Authorized Denomination**” means \$5,000 or any integral multiple thereof within a maturity of a Series, or such other minimum authorized denominations as may be specified in the Bond Documents for a Series.

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

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

3 **“Bond Documents”** means, with respect to any Series of the Bonds (a) this ordinance
4 (including any amendatory or supplemental ordinances; (b) the authenticated bond form; and
5 (c) the written agreement(s) setting forth the Bond Sale Terms and additional terms, conditions, or
6 covenants pursuant to which such bond was issued and sold, as set forth in any one or more of the
7 following (if any): (i) a sale resolution, (ii) a bond purchase contract (as defined in the applicable
8 authorizing ordinance), (iii) a bond indenture or a fiscal agent or paying agent agreement (other
9 than the State fiscal agency contract), and (iv) a direct purchase or continuing covenant agreement.

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

13 **“Bond Purchase Contract”** means a written offer to purchase a Series of the Bonds
14 pursuant to certain Bond Sale Terms, which offer has been accepted by the City in accordance
15 with this ordinance. In the case of a competitive sale, the Purchaser’s bid for a Series, together
16 with the official notice of sale and Pricing Certificate confirming the Bond Sale Terms, shall
17 comprise the Bond Purchase Contract.

18 **“Bond Register”** means the books or records maintained by the Bond Registrar for the
19 purpose of registering ownership of each Bond.

20 **“Bond Registrar”** means the Fiscal Agent (unless the Director of Finance appoints a
21 different person to act as bond registrar with respect to a particular Series), or any successor bond
22 registrar selected in accordance with the Registration Ordinance.

1 **“Bond Sale Terms”** means the terms and conditions for the sale of a Series of the Bonds
2 approved by the Director of Finance consistent with the parameters set forth in Section 4, including
3 the amount, date or dates, denominations, interest rate or rates (or mechanism for determining the
4 interest rate or rates), payment dates, final maturity, redemption rights, price, and other terms,
5 conditions or covenants. In connection with a negotiated sale or private placement, the Bond Sale
6 Terms shall be set forth in the Bond Purchase Contract; in connection with a competitive sale, the
7 Bond Sale Terms shall be set forth in a Pricing Certificate.

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

9 **“Book-Entry Form”** means a fully registered form in which physical bond certificates are
10 registered only in the name of the Securities Depository (or its nominee), as Registered Owner,
11 with the physical bond certificates held by and immobilized in the custody of the Securities
12 Depository (or its designee), where the system for recording and identifying the transfer of the
13 ownership interests of the Beneficial Owners in those Bonds is neither maintained by nor the
14 responsibility of the City or the Bond Registrar.

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

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

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

21 **“Continuing Disclosure Agreement”** means, for each Series sold in an offering subject
22 to federal securities regulations requiring a written undertaking to provide continuing disclosure,

1 a continuing disclosure agreement entered into pursuant to Section 14, in substantially the form
2 attached as Exhibit B.

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

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

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

9 **“Government Obligations”** means, unless otherwise limited in the Bond Documents for
10 a particular Series of the Bonds, any government obligation as that term is defined in RCW
11 39.53.010, as now in effect or as may hereafter be amended.

12 **“Issue Date”** means, with respect to a Bond, the initial date on which that Bond is issued
13 and delivered to the initial Purchaser in exchange for its purchase price.

14 **“Letter of Representations”** means the Blanket Issuer Letter of Representations between
15 the City and DTC dated October 4, 2006, as it may be amended from time to time, or an agreement
16 with a substitute or successor Securities Depository.

17 **“MSRB”** means the Municipal Securities Rulemaking Board.

18 **“Omnibus Refunding Ordinance”** means an ordinance passed simultaneously with this
19 ordinance authorizing the refunding of limited tax general obligation bonds (as it may be amended
20 from time to time), or any other ordinance of the City passed in the future, pursuant to which the
21 Bonds (or any Series of the Bonds) are designated as “refundable bonds.”

22 **“Owner”** means, without distinction, the Registered Owner and the Beneficial Owner of
23 a Bond.

1 **“Pricing Certificate”** means a certificate executed by the Director of Finance as of the
2 pricing date confirming the Bond Sale Terms for the sale of a Series of Bonds to the Purchaser in
3 a competitive sale, in accordance with the parameters set forth in Section 4.

4 **“Projects”** means the various elements of the City’s capital improvement program
5 identified in Exhibit A, attached hereto and by this reference made a part hereof.

6 **“Purchaser”** means the entity or entities who have been selected by the Director of
7 Finance in accordance with this ordinance to serve as underwriter, purchaser or successful bidder
8 in a sale of any Series.

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

11 **“Record Date”** means, unless otherwise defined in the Bond Documents, in the case of
12 each interest or principal payment date, the Bond Registrar’s close of business on the 15th day of
13 the month preceding the interest or principal payment date. With regard to redemption of a Bond
14 prior to its maturity, the Record Date shall mean the Bond Registrar’s close of business on the day
15 prior to the date on which the Bond Registrar sends the notice of redemption to the Registered
16 Owner(s) of the affected Bonds.

17 **“Registered Owner”** means, with respect to a Bond, the person in whose name that Bond
18 is registered on the Bond Register. For so long as a Series of the Bonds is in Book-Entry Form
19 under a Letter of Representations, the Registered Owner of such Series shall mean the Securities
20 Depository.

21 **“Registration Ordinance”** means City Ordinance 111724 establishing a system of
22 registration for the City’s bonds and other obligations pursuant to Seattle Municipal Code Chapter
23 5.10, as that chapter now exists or may hereafter be amended.

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

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

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

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

9 **“State”** means the State of Washington.

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

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

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

18 **“Taxable Bond”** means any Bond, the interest on which is not intended on the Issue Date
19 to be excludable from gross income for federal income tax purposes.

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

1 Section 2. **Authorization of Bonds.** The City is authorized to borrow money on the
2 credit of the City and issue limited tax general obligation bonds evidencing indebtedness in the
3 maximum principal amount stated in Section 4 to pay all or part of the costs of the Projects (which
4 costs may include capitalized interest, if necessary); for other City purposes approved by
5 ordinance; and to pay the costs of issuance of the Bonds. The Bonds may be issued in one or more
6 Series and may be combined with other general obligation bonds (including refunding bonds)
7 authorized separately. The Bonds shall be designated limited tax general obligation bonds, shall
8 be numbered separately, and shall have any name, year and series or other label as deemed
9 necessary or appropriate by the Director of Finance.

10 Section 3. **Manner of Sale of the Bonds.** The Director of Finance may provide for the
11 sale of each Series by competitive sale, negotiated sale, limited offering, or private placement. The
12 Purchaser of each Series shall be chosen through a selection process acceptable to the Director of
13 Finance. The Director of Finance is authorized to specify a date and time of sale and a date and
14 time for the delivery of each Series; in the case of a competitive sale, to provide an official notice
15 of sale including bid parameters and other bid requirements and provide for the use of an electronic
16 bidding mechanism; to provide for and determine matters relating to the forward or delayed
17 delivery of the Bonds, if deemed desirable; and to specify other matters in his or her determination
18 necessary, appropriate, or desirable in order to carry out the sale of each Series. Each Series must
19 be sold on Bond Sale Terms consistent with the parameters set forth in Section 4.

20 Section 4. **Appointment of Designated Representative; Bond Sale Terms.**

21 (a) **Designated Representative.** The Director of Finance is appointed to serve as the
22 City's designated representative in connection with the issuance and sale of the Bonds in
23 accordance with RCW 39.46.040(2) and this ordinance.

1 (b) **Parameters for Bond Sale Terms.** The Director of Finance is authorized to
2 approve on behalf of the City Bond Sale Terms for the sale of the Bonds in one or more Series,
3 and in connection with each such sale, to execute a Bond Purchase Contract (or, in the case of a
4 competitive sale, a Pricing Certificate) confirming the Bond Sale Terms and such related
5 agreements as may be necessary or desirable, consistent with the following parameters:

6 (i) **Maximum Principal Amount.** The maximum aggregate principal amount
7 of all Series authorized by this ordinance is not to exceed \$8587 million, including the \$29 million
8 that was previously authorized but unissued under Ordinance 125197 and is reauthorized to be
9 issued under this ordinance pursuant to Section 16 of this ordinance.

10 (ii) **Date or Dates.** Each Bond shall be dated its Issue Date, as determined by
11 the Director of Finance, which issue date may not be later than December 31, 2020.

12 (iii) **Denominations.** The Bonds shall be issued in Authorized Denominations.

13 (iv) **Interest Rate(s).** Each Bond shall bear interest from its Issue Date or from
14 the most recent date to which interest has been paid or duly provided, unless otherwise provided
15 in the Bond Documents. One or more rates of interest shall be established for each maturity of
16 each Series of the Bonds, which rate or rates may be fixed or variable. The net interest cost for any
17 fixed rate Series shall not exceed a rate of 10% per annum.

18 (v) **Payment Dates.** Interest shall be payable on dates acceptable to the
19 Director of Finance. Principal shall be payable on dates acceptable to the Director of Finance,
20 which shall include payment at the maturity of each Bond, in mandatory redemption installments
21 applicable to Term Bonds, and otherwise in accordance with any redemption or tender provisions
22 set forth in the Bond Documents.

1 (vi) **Final Maturity.** Each Bond shall mature no later than 31 years after its
2 Issue Date.

3 (vii) **Redemption Prior to Maturity.** The Bond Sale Terms may include
4 redemption provisions, as determined by the Director of Finance, consistent with Section 7 and
5 subject to the following:

6 (A) **Optional Redemption.** The Director of Finance may designate any
7 Bond as being subject to optional redemption prior to its maturity. Any Bond that is subject to
8 optional redemption prior to maturity must be callable on at least one or more dates occurring not
9 more than 10½ years after the Issue Date, consistent with Section 7(a).

10 (B) **Mandatory Redemption.** The Director of Finance may designate
11 any Bond as a Term Bond, subject to mandatory redemption prior to its maturity in mandatory
12 redemption installment payments of principal, consistent with Section 7(b).

13 (C) **Extraordinary Redemption.** The Director of Finance may
14 designate any Bond as subject to extraordinary optional redemption or extraordinary mandatory
15 redemption upon the occurrence of an extraordinary event, as such event or events may be set forth
16 in the applicable Bond Documents consistent with Section 7(c).

17 (viii) **Price.** The Director of Finance may approve in the Bond Sale Terms an
18 aggregate purchase price for each Series of the Bonds that is, in his or her judgment, the price that
19 produces the most advantageous borrowing cost for the City for that Series consistent with the
20 parameters set forth herein and in any applicable bid documents.

1 (ix) **Other Terms and Conditions.**

2 (A) **Debt Capacity and Limitations.** A Series of the Bonds may not be
3 issued if it would cause the indebtedness of the City to exceed the City's legal debt capacity on the
4 Issue Date of such Series.

5 (B) **Reasonably Expected Life.** The final maturity of any Series shall
6 not exceed the reasonably expected life of the capital improvements to be acquired or constructed
7 by the use of the proceeds of such Series.

8 (C) **Additional Terms, Conditions, and Agreements.** The Bond Sale
9 Terms for any Series may provide for bond insurance or for any other credit enhancement as the
10 Director of Finance may find necessary or desirable. The Bond Sale Terms for any Series may
11 provide for multiple interest rate modes and may include provisions for conversion from any
12 interest rate mode to any other mode. To that end, the Bond Sale Terms may include such
13 additional terms, conditions, and covenants as may be necessary or desirable, including but not
14 limited to: restrictions on investment of Bond proceeds and pledged funds (including any escrow
15 established for the defeasance of the Bonds), provisions for the conversion of interest rate modes,
16 provisions for the reimbursement of a credit enhancement provider, and requirements to give
17 notice to or obtain the consent of a credit enhancement provider. The Director of Finance is
18 authorized to execute, on behalf of the City, such additional certificates and agreements as may be
19 necessary or desirable to reflect such terms, conditions, and covenants.

20 (D) **Tax Status of the Bonds.** The Director of Finance may determine
21 that any Series of the Bonds may be designated or qualified as Tax-Exempt Bonds, Taxable Bonds
22 or Tax Credit Subsidy Bonds, consistent with Section 13.

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

2 (a) **Registration and Bond Registrar.** The Bonds shall be issued only in registered
3 form as to both principal and interest and shall be recorded on the Bond Register. The Fiscal Agent
4 is appointed to act as Bond Registrar for each Series of the Bonds, unless otherwise determined by
5 the Director of Finance.

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

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

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

21 Bonds surrendered to the Bond Registrar may be exchanged for Bonds in any Authorized
22 Denomination of an equal aggregate principal amount and of the same Series, interest rate and
23 maturity. Bonds may be transferred only if endorsed in the manner provided thereon and

1 surrendered to the Bond Registrar. Any exchange or transfer shall be without cost to an Owner or
2 transferee. The Bond Registrar shall not be obligated to exchange or transfer any Bond during the
3 period between the Record Date and the corresponding interest payment or principal redemption
4 date.

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

19 Upon the resignation of the Securities Depository from its functions as depository, or upon
20 a determination by the Director of Finance to discontinue utilizing the then-current Securities
21 Depository, the Director of Finance may appoint a substitute Securities Depository. If the
22 Securities Depository resigns from its functions as depository and no substitute Securities
23 Depository can be obtained, or if the Director of Finance determines not to utilize a Securities

1 Depository, then the Bonds shall no longer be held in Book-Entry Form and ownership may be
2 transferred only as provided herein.

3 Nothing herein shall prevent the Bond Sale Terms from providing that a Series of the Bonds
4 shall be issued in certificated form without utilizing a Securities Depository, and that the Bonds of
5 such Series shall be registered as of their Issue Date in the names of the Owners thereof, in which
6 case ownership may be transferred only as provided herein.

7 (d) **Lost or Stolen Bonds.** In case any Bond shall be lost, stolen or destroyed, the Bond
8 Registrar may authenticate and deliver a new bond or bonds of like amount, date, tenor, and effect
9 to the Registered Owner(s) thereof upon the Registered Owner(s)' paying the expenses and charges
10 of the City in connection therewith and upon filing with the Bond Registrar evidence satisfactory
11 to the Bond Registrar that such bond or bonds were actually lost, stolen or destroyed and of
12 Registered Ownership thereof, and upon furnishing the City with indemnity satisfactory to both.

13 Section 6. **Payment of Bonds.**

14 (a) **Payment.** Principal of and interest on each Bond shall be payable in lawful money
15 of the United States of America on the dates and in the amounts as provided in the Bond
16 Documents applicable to that Series. No Bonds of any Series shall be subject to acceleration under
17 any circumstances.

18 (b) **Bonds Held In Book-Entry Form.** Principal of and interest on each Bond held in
19 Book-Entry Form shall be payable in the manner set forth in the Letter of Representations.

20 (c) **Bonds Not Held In Book-Entry Form.** Interest on each Bond not held in Book-
21 Entry Form shall be payable by electronic transfer on the interest payment date, or by check or
22 draft of the Bond Registrar mailed on the interest payment date to the Registered Owner at the
23 address appearing on the Bond Register on the Record Date. The City, however, is not required to

1 make electronic transfers except pursuant to a request by a Registered Owner in writing received
2 at least ten days prior to the Record Date and at the sole expense of the Registered Owner. Principal
3 of each Bond not held in Book-Entry Form shall be payable upon presentation and surrender of
4 the Bond by the Registered Owner to the Bond Registrar.

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

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

9 (b) **Mandatory Redemption.** All or some of the Bonds of any Series may be
10 designated as Term Bonds, subject to mandatory redemption in principal installment payments, as
11 set forth in the applicable Bond Documents. If not redeemed or purchased at the City's option prior
12 to maturity, Term Bonds (if any) must be redeemed, at a price equal to 100% of the principal
13 amount to be redeemed plus accrued interest, on the dates and in the years and principal amounts
14 as set forth in the applicable Bond Documents.

15 If the City optionally redeems or purchases a Term Bond prior to maturity, the principal
16 amount of that Term Bond so redeemed or purchased (irrespective of its redemption or purchase
17 price) shall be credited against the remaining mandatory redemption installment payments in the
18 manner as directed by the Director of Finance. In the absence of direction by the Director of
19 Finance, credit shall be allocated to each mandatory redemption installment payment for that Bond
20 on a *pro rata* basis.

21 (c) **Extraordinary Redemption Provisions.** All or some of the Bonds of any Series
22 may be subject to extraordinary optional or extraordinary mandatory redemption prior to maturity,

1 upon the occurrence of an extraordinary event, at the prices, in the principal amounts, and on the
2 dates set forth in the applicable Bond Documents.

3 (d) **Selection of Bonds for Redemption; Partial Redemption.** If fewer than all of the
4 outstanding Bonds are to be redeemed at the option of the City, the Director of Finance shall select
5 the Series and maturity or maturities to be redeemed. If less than all of the principal amount of a
6 maturity of the selected Series is to be redeemed, if such Series is held in Book-Entry Form, the
7 portion of such maturity to be redeemed shall be selected for redemption by the Securities
8 Depository in accordance with the Letter of Representations, and if the Series is not then held in
9 Book-Entry Form, the portion of such maturity to be redeemed shall be selected by the Bond
10 Registrar randomly in such manner as the Bond Registrar shall determine. All or a portion of the
11 principal amount of any Bond that is to be redeemed may be redeemed in any applicable
12 Authorized Denomination. If less than all of the outstanding principal amount of any Bond is
13 redeemed, upon surrender of that Bond to the Bond Registrar there shall be issued to the Registered
14 Owner, without charge, a new Bond (or Bonds, at the option of the Registered Owner) of the same
15 Series, maturity, and interest rate in any Authorized Denomination in the aggregate principal
16 amount to remain outstanding.

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

19 Section 8. **Notice of Redemption; Rescission of Notice.** Unless otherwise set forth in
20 the applicable Bond Documents, the City must cause notice of any intended redemption of Bonds
21 to be given not less than 20 nor more than 60 days prior to the date fixed for redemption by first-
22 class mail, postage prepaid, to the Registered Owner of any Bond to be redeemed at the address
23 appearing on the Bond Register on the Record Date, and the requirements of this sentence shall be

1 deemed to have been fulfilled when notice has been mailed as so provided, whether or not it is
2 actually received by the Owner of any Bond. Interest on Bonds called for redemption shall cease
3 to accrue on the date fixed for redemption unless the Bond or Bonds called are not redeemed when
4 presented pursuant to the call.

5 In the case of an optional or extraordinary optional redemption, the notice may state that
6 the City retains the right to rescind the redemption notice and the related optional redemption of
7 Bonds by giving a notice of rescission to the affected Registered Owners at any time on or prior
8 to the scheduled optional redemption date. Any notice of optional redemption that is rescinded by
9 the Director of Finance shall be of no effect, and the Bonds for which the notice of optional
10 redemption has been rescinded shall remain outstanding.

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

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

22 Only Bonds bearing a certificate of authentication in substantially the following form (with
23 the designation, year, and Series of the Bonds adjusted consistent with this ordinance), manually

1 signed by the Bond Registrar, shall be valid or obligatory for any purpose or entitled to the benefits
2 of this ordinance: “This Bond is one of the fully registered The City of Seattle, Washington,
3 [Limited Tax General Obligation Bonds], [Year] [Series], described in [this ordinance].” The
4 authorized signing of a certificate of authentication shall be conclusive evidence that the Bond so
5 authenticated has been duly executed, authenticated, and delivered and is entitled to the benefits
6 of this ordinance.

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

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

1 Section 12. **Refunding or Defeasance of Bonds.**

2 (a) **Bonds Designated as Refundable Bonds.** Each Series of the Bonds is hereby
3 designated as a series of “Refundable Bonds” for purposes of the Omnibus Refunding Ordinance.

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

21 (c) **Notice of Defeasance or Refunding.** Unless otherwise specified in the Bond
22 Documents, notice of refunding or defeasance shall be given, and selection of Bonds for any partial

1 refunding or defeasance shall be conducted, in the manner set forth in this ordinance for the
2 redemption of Bonds.

3 Section 13. **Federal Tax Matters.** The Bond Documents may include such additional
4 terms and covenants relating to federal tax matters as the Director of Finance deems necessary or
5 appropriate, including the following:

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

20 (b) **Taxable Bonds; Tax Credit Subsidy Bonds.** For each Series of the Bonds issued
21 as Taxable Bonds or as Tax Credit Subsidy Bonds, the Director of Finance is authorized to make
22 provision in the Bonds and other Bond Documents, to execute additional written agreements, and
23 to make additional covenants on behalf of the City, all as he or she may deem necessary or

1 appropriate in order to obtain, maintain, and administer such tax status. In the case of Tax Credit
2 Subsidy Bonds, such additional covenants and agreement may include (without limiting the
3 generality of the foregoing) those necessary in order for the City (i) to receive from the United
4 States Treasury the applicable Tax Credit Subsidy Payments in respect of such Tax Credit Subsidy
5 Bonds, and (ii) to ensure that such Series otherwise become and remain eligible for tax benefits
6 under the Code.

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

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

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

1 (c) **Undertaking to Provide Continuing Disclosure.** To meet the requirements of
2 paragraph (b)(5) of Rule 15c2-12, as applicable to a participating underwriter for a Series of the
3 Bonds, the Director of Finance is authorized to execute a written Continuing Disclosure
4 Agreement with respect to that Series, in substantially the form attached as Exhibit B.

5 Section 15. **Deposit and Use of Proceeds.** Unless otherwise provided in the Bond Sale
6 Terms, the principal proceeds and net premium, if any, received from the sale and delivery of the
7 Bonds shall be paid into or allocated to the 2018 Multipurpose LTGO Bond Fund, which has been
8 created in the City Treasury pursuant to Ordinance 125264, or in such funds, accounts, or
9 subaccounts of the City Treasury as the Director of Finance may designate, and used for the
10 purposes described in Section 2. The Director of Finance may use the principal proceeds and any
11 premium to pay for costs of issuance of the Bonds, and the Director of Finance also may incur and
12 account for costs of issuance that are not included as part of the bond proceeds and premium,
13 including but not limited to any underwriter's discount.

14 The Director of Finance may (i) establish and transfer proceeds of the Bonds among funds,
15 accounts, or subaccounts in the City Treasury, or (ii) make interfund loans pursuant to Seattle
16 Municipal Code Section 5.06.030 to or from other City accounts or funds, all on terms he or she
17 may deem necessary, appropriate, or desirable to carry out the purposes of this ordinance and
18 consistent with the Bond Sale Terms. Enactment of this ordinance authorizes the transfer of
19 amounts from the 2018 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. Net
22 premium and accrued interest received from the sale and delivery of a Series of the Bonds, if any,
23 that is not necessary for the purposes described in Section 2, shall be paid or allocated into the

1 Bond Fund prior to the first debt service payment date with respect to that Series. Until needed to
2 pay the Project expenses and the costs described herein, the City may invest principal proceeds of
3 the Series temporarily in any authorized investment, and the investment earnings shall be deposited
4 in such funds, subfunds, accounts and subaccounts as may be designated by the Director of
5 Finance. Earnings subject to a federal tax or rebate requirement may be withdrawn from any such
6 fund or account and used for those tax or rebate purposes.

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

11 Section 16. **Amendment to Ordinance 125197.** This ordinance makes certain
12 technical changes to the manner in which the City has previously issued general obligation debt,
13 necessitated in part by changes in federal tax law. In order to conform to the new procedures, the
14 City Council has determined to rescind the authorization under Ordinance 125197 and reapprove
15 such authorization under and within the parameters set forth in this ordinance to issue not to exceed
16 \$29 million of general obligation bonds to finance or make one or more loans to finance the
17 acquisition, construction, rehabilitation, or renovation of housing affordable to persons of low
18 income within the City, and all costs and expenses incidental thereto, including land acquisition
19 and other capital expenses, and to pay the costs of issuance of such Bonds.

20 Accordingly, the following provisions of Ordinance 125197 are amended to read as set
21 forth in this section. Amendments are set forth below, with additions shown in double underlining
22 and deletions enclosed in double parentheses and struck through.

1 (a) **Amendment to Section 4.** Section 4(a) of Ordinance 125197 is amended as
2 follows:

3 Section 4. *Bond Sale Terms; Bond Resolution.*

4 * * *

5 (a) *Maximum Principal Amount.* The Bonds may be issued in one or more
6 Series and shall not exceed the aggregate principal amount of (~~(\$139)~~) \$110 million.

7 (b) **Amendment to Exhibit A to Ordinance.** Exhibit A to Ordinance 125197 is
8 amended as set forth in Exhibit C hereto.

9 Section 17. **General Authorization.** In addition to the specific authorizations in this
10 ordinance, the Mayor and the Director of Finance and each of the other appropriate officers of the
11 City are each authorized and directed to do everything as in his or her judgment may be necessary,
12 appropriate, or desirable in order to carry out the terms and provisions of, and complete the
13 transactions contemplated by, this ordinance. In particular and without limiting the foregoing:

14 (a) The Director of Finance, in his or her discretion and without further action by the
15 City Council, (i) may issue requests for proposals to provide underwriting services or financing
16 facilities (including liquidity or credit support), and may execute engagement letters with
17 underwriters and other financial institutions (including providers of liquidity or credit support)
18 based on responses to such requests, (ii) may select and make decisions regarding the Bond
19 Registrar, fiscal or paying agents, and any Securities Depository for each Series of the Bonds; and
20 (iii) may take such actions on behalf of the City as are necessary or appropriate for the City to
21 designate, qualify, or maintain the tax-exempt treatment with respect to any Series issued as Tax-
22 Exempt Bonds, to receive from the United States Treasury the applicable federal credit payments

1 in respect of any Series issued as Tax Credit Subsidy Bonds, and to otherwise receive any other
2 federal tax benefits relating to any Series of the Bonds that are available to the City; and

3 (b) Each of the Mayor and the Director of Finance is separately authorized (i) to
4 execute and deliver any and all contracts or other documents as are consistent with this ordinance
5 and for which the City's approval is necessary or to which the City is a party (including but not
6 limited to agreements with escrow agents; refunding trustees; liquidity or credit support providers;
7 bond insurers; underwriters; lenders or other financial institutions; the Bond Registrar and any
8 other fiscal or paying agents; counterparties to interest rate swap, cap, floor, or similar agreements;
9 and custodians); (ii) to negotiate, execute, and deliver any and all contracts or other documents in
10 form and substance acceptable to the Mayor and Director of Finance that are necessary or desirable
11 to ensure that the proceeds of the Bonds are applied to the purposes set forth herein; and (iii) to
12 negotiate, execute, and deliver such other contracts or documents incidental to the issuance and
13 sale of a Series of the Bonds; the establishment of the initial interest rate or rates on a Bond; or the
14 tender, purchase, remarketing, or redemption of a Bond, as may in his or her judgment be necessary
15 or appropriate.

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

1 Section 19. **Ratification of Prior Acts.** Any action taken after passage of this ordinance
2 but prior to its effective date that is consistent with the authority of this ordinance is ratified,
3 approved, and confirmed.

4 Section 20. **Headings.** Section headings in this ordinance are used for convenience only
5 and shall not constitute a substantive portion of this ordinance.

1 Section 21. **Effective Date.** This ordinance shall take effect and be in force 30 days after
2 its approval by the Mayor, but if not approved and returned by the Mayor within ten days after
3 presentation, it shall take effect as provided by Seattle Municipal Code Section 1.04.020.

4 Passed by the City Council the _____ day of _____, 2017, and
5 signed by me in open session in authentication of its passage this ____ day of
6 _____, 2017.

7 _____
8 President _____ of the City Council

9 Approved by me this _____ day of _____, 2017.

10 _____
11 Tim Burgess, Mayor

12 Filed by me this _____ day of _____, 2017.

13 _____
14 Monica Martinez Simmons, City Clerk

15 (Seal)

16 Attachments:

17 Exhibit A – Description of 2018 Projects

18 Exhibit B – Form of Continuing Disclosure Agreement

19 Exhibit C – Amended Exhibit A (Description of 2017 Projects) to Ordinance 125197
20