

**2017 - 2018 Seattle City Council Green Sheet**

**Approved**

Tab	Action	Option	Version
227	1	E	2

**Budget Action Title:** Increase affordable housing by \$29 million, redirect REET to debt service, amend SDOT and FAS CIPs, amend and pass C.B. 118839, create new expenditure BCLs in CRS, and rescind GS 227-1-E-1

Ongoing: No

Has CIP Amendment: Yes                                      Has Budget Proviso: No

Primary Sponsor: Herbold, Lisa

Councilmembers: Bagshaw; González; Johnson; O'Brien; Sawant

Staff Analyst: Dan Eder; Tony Kilduff

Council Bill or Resolution: C.B. 118839

**Budget Committee Vote:**

Date	Result	SB	TB	LG	BH	LH	RJ	DJ	MO	KS
11/21/2016	Pass 9-	Y	Y	Y	Y	Y	Y	Y	Y	Y

**Summary of Dollar Effect**

*See the following pages for detailed technical information*

	<b>2017 Increase (Decrease)</b>	<b>2018 Increase (Decrease)</b>
<b>General Subfund</b>		
<i>General Subfund Revenues</i>	\$29,000,000	\$0
<i>General Subfund Expenditures</i>	\$29,000,000	\$0

\* Note: This action rescinds 227-1-E-1

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<b>Net Balance Effect</b>	<b>\$0</b>	<b>\$0</b>
<b>Other Funds</b>		
<b>Cumulative Reserve Subfund - REET I Subaccount (00163)</b>		
<b>Revenues</b>	<i>\$0</i>	<i>\$0</i>
<b>Expenditures</b>	<i>\$0</i>	<i>\$0</i>
<b>Net Balance Effect</b>	<b>\$0</b>	<b>\$0</b>
<b>Transportation Operating Fund (10310)</b>		
<b>Revenues</b>	<i>(\$250,000)</i>	<i>\$0</i>
<b>Expenditures</b>	<i>(\$250,000)</i>	<i>\$0</i>
<b>Net Balance Effect</b>	<b>\$0</b>	<b>\$0</b>
<b>Low-Income Housing Fund (16400)</b>		
<b>Revenues</b>	<i>\$29,000,000</i>	<i>\$0</i>
<b>Expenditures</b>	<i>\$29,000,000</i>	<i>\$0</i>
<b>Net Balance Effect</b>	<b>\$0</b>	<b>\$0</b>
<b>Total Budget Balance Effect</b>	<b>\$0</b>	<b>\$0</b>

**Budget Action description:**

This budget action would increase by \$29 million (in addition to the \$54 million included for that purpose in the 2017 Proposed Budget) the amount of funding the Office of Housing provides to housing developers through its annual Notice of Available Funding process for the purpose of expanding the supply of new affordable housing units, and rescinds green sheet 227-1-E-1.

The proposal would be funded by issuing \$29 million in additional Limited Term General Obligation (LTGO) bonds. Council anticipates that the Executive will not issue bonds until that there are a specific list of projects for which the bonding would be used in 2017.

The \$29 million in LTGO bonds would all be issued in 2017, requiring the City to pay approximately \$1.25 million in debt service in 2017 for 2/3 of a year, and \$1.9 million starting in 2018 and annually thereafter for the balance of a 30 year term.

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This budget action would fund the debt service on the \$29 million in LTGO bonds using General Subfund (GSF), requiring the Council to free up GSF in 2017 and 2018 for that purpose. Doing so will involve several steps (detailed below) that the Council would take affirmatively through this budget action:

1. Council determines that it can no longer reasonably make as much GSF available to the Seattle Department of Transportation (SDOT) due to the ongoing homelessness emergency;
2. Council redirects \$1.25 million GSF in SDOT's 2017 Proposed Budget and \$1.9 million GSF in its 2018 Proposed Budget to pay for debt service on the \$29 million in affordable housing LTGO bonds;
3. Council amends the North Area Interim & Long-Term Facilities CIP (A1PS117) Project to decrease spending from \$1.5 million to \$500,000 in 2017 and from \$13.5 million to \$11.6 million in 2018;
4. Council reduces the allocation of REET I to the Department of Finance and Administrative Services by \$1 million in 2017 and by \$1.9 million for that project;
5. Council approves a departure from the City's financial policies established in Resolution 31083 and authorizes the use of REET I for debt service on REET I-eligible projects in 2017 and 2018;
6. Council increases the allocation of REET I to SDOT by \$1 million in 2017 and by \$1.9 million in 2018 and directs the Executive to use that REET I for debt service on REET I-eligible projects, freeing up GSF that would otherwise have been used for that purpose;
7. Council reduces CPT spending in 2017 by \$250,000 for SDOT's Arterial Major Maintenance (TC365940) CIP Project and reduces GSF support to SDOT by the same amount. (Note: This green sheet anticipates that SDOT will account for these changes within the Street Maintenance BCL as a one-time \$250,000 increase in CPT funding and a one-time decrease in GSF funding.);
8. This budget action also:
  - a. amends and recommends passage of C.B. 118839 by increasing the amount of LTGO bonds by \$29 million from \$108 million to \$137 million;

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- b. increases the Office of Housing’s 2017 appropriations by \$29 million for additional affordable housing;
- c. amends SDOT's Debt Service - CRF CIP Project TC320060 to reflect debt service payments to be paid with REET I instead of GSF; and
- d. creates a new Debt Service REET I-Eligible Projects BCL in the Cumulative Reserve Subfund - REET I with the following purpose statement: “The purpose of the Debt Service REET I-Eligible Projects budget control level is to make payments to the City’s Bond Interest and Redemption Fund for principal repayment and interest obligations on bond financed REET I-eligible capital projects.”

Note: This green sheet assumes that green sheet 67-1-A-1 passes, adding additional REET and Pacific Place Garage Disposition funds to SDOT's Arterial Major Maintenance CIP project, and makes further adjustments to SDOT funding for that project.

**Budget Action Transactions**

Tab	Action	Option	Version
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**Budget Action Title:** Increase affordable housing by \$29 million, redirect REET to debt service, amend SDOT and FAS CIPs, amend and pass C.B. 118839, create new expenditure BCLs in CRS, and rescind GS 227-1-E-1

#	Transaction Description	Position Title	Number of Positions	FTE	Dept	BCL or Revenue Source	Summit Code	Fund	Year	Revenue Amount	Expenditure Amount
1	Decrease GSF support to SDOT for Arterial Major Maintenance				FG	Transportation Fund	Q5971039	00100	2017		(\$250,000)
2	Reduce SDOT revenue from GSF for Arterial Major Maintenance				SDOT	Operating Transfer In-From General Fund	587001	10310	2017	(\$250,000)	
3	Decrease SDOT expenditures for Arterial Major Maintenance				SDOT	Major Maintenance/Replacement	19001	10310	2017		(\$250,000)
4	Decrease FAS use of REET I for North Area CIP				FAS	Public Safety Facilities - Police (00163-CIP)	A1PS1	00163	2017		(\$1,000,000)
5	Increase CRS support to SDOT for debt service on REET I-eligible projects				CRS	CRS REET I Support to Transportation	2EC30	00163	2017		\$1,000,000

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#	Transaction Description	Position Title	Number of Positions	FTE	Dept	BCL or Revenue Source	Summit Code	Fund	Year	Revenue Amount	Expenditure Amount
6	Increase SDOT revenue from CRS for debt service on REET I--eligible projects				SDOT	Operating Transfer In-From Cumulative Reserve Subfund - REET I	587116	10310	2017	\$1,000,000	
7	Decrease GSF support to SDOT for debt service on REET I-eligible projects				FG	Transportation Fund	Q5971039	00100	2017		(\$1,000,000)
8	Decrease SDOT revenue from GSF for debt service on REET I-eligible projects				SDOT	Operating Transfer In-From General Fund	587001	10310	2017	(\$1,000,000)	
9	Increase GSF payment of debt service on LTGO bonds issued for affordable housing				FG	General Bond Interest/Redemption Fund	Q5972010	00100	2017		\$1,250,000

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#	Transaction Description	Position Title	Number of Positions	FTE	Dept	BCL or Revenue Source	Summit Code	Fund	Year	Revenue Amount	Expenditure Amount
10	Increase GSF revenue from LTGO Bond sale for affordable housing				GSF	Other Miscellaneous Revenue	469990	00100	2017	\$29,000,000	
11	Increase GSF support to OH for affordable housing				FG	Low Income Housing Fund	Q5976400	00100	2017		\$29,000,000
12	Increase OH revenue from GSF for affordable housing				OH	General Subfund Support	587001	16400	2017	\$29,000,000	
13	Increase OH spending on affordable housing				OH	Low-Income Housing Fund 16400	XZ-R1	16400	2017		\$29,000,000
14	Decrease FAS use of REET I for North Area CIP				FAS	Public Safety Facilities - Police (00163-CIP)	A1PS1	00163	2018		(\$1,900,000)
15	Increase CRS support to SDOT for debt service on REET I-eligible projects				CRS	CRS REET I Support to Transportation	2EC30	00163	2018		\$1,900,000

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#	Transaction Description	Position Title	Number of Positions	FTE	Dept	BCL or Revenue Source	Summit Code	Fund	Year	Revenue Amount	Expenditure Amount
16	Increase SDOT revenue from CRS for debt service on REET I--eligible projects				SDOT	Operating Transfer In-From Cumulative Reserve Subfund - REET I	587116	10310	2018	\$1,900,000	
17	Decrease GSF support to SDOT for debt service on REET I-eligible projects				FG	Transportation Fund	Q5971039	00100	2018		(\$1,900,000)
18	Decrease SDOT revenue from GSF for debt service on REET I-eligible projects				SDOT	Operating Transfer In-From General Fund	587001	10310	2018	(\$1,900,000)	
19	Increase GSF payment of debt service on LTGO bonds issued for affordable housing				FG	General Bond Interest/Redemption Fund	Q5972010	00100	2018		\$1,900,000



## Finance and Administrative Services

### Seattle Police Department North Area Interim and Long-Term Facilities

<b>BCL/Program Name:</b>	Public Safety Facilities - Police	<b>BCL/Program Code:</b>	A1PS1
<b>Project Type:</b>	New Investment	<b>Start Date:</b>	Q1/2017
<b>Project ID:</b>	A1PS117	<b>End Date:</b>	TBD
<b>Location:</b>			
<b>Neighborhood Plan:</b>	Not in a Neighborhood Plan	<b>Council District:</b>	More than one
<b>Neighborhood District:</b>	North	<b>Urban Village:</b>	In more than one Urban Village

This project funds planning, design and construction for long-term facility needs as well as interim upgrades and potential expansions at the existing North Precinct to accommodate growth of the Seattle Police Department. This project includes, but is not limited to, planning, design and construction for long-term police facilities needs in the North and funding for interim needs including, but not limited to, building upgrades, system maintenance, facility maintenance and temporary facilities.

	LTD Actuals	2016 Rev	2017	2018	2019	2020	2021	2022	Total
<b>Revenue Sources</b>									
Real Estate Excise Tax I	0	0	1,500	13,500	0	0	0	0	15,000
			<u>500</u>	<u>11,600</u>					<u>11,900</u>
To be determined	0	0	0	0	0	0	0	0	0
<b>Total:</b>	0	0	<u>1,500</u>	<u>13,500</u>	0	0	0	0	<u>15,000</u>
			<u>500</u>	<u>11,600</u>					<u>11,900</u>
<b>Fund Appropriations/Allocations</b>									
Cumulative Reserve Subfund - Real Estate Excise Tax I Subaccount	0	0	1,500	13,500	0	0	0	0	15,000
			<u>500</u>	<u>11,600</u>					<u>11,900</u>
<b>Total*:</b>	0	0	<u>1,500</u>	<u>13,500</u>	0	0	0	0	<u>15,000</u>
			<u>500</u>	<u>11,600</u>					<u>11,900</u>

## Seattle Department of Transportation

**Arterial Major Maintenance**

<b>BCL/Program Name:</b>	Major Maintenance/Replacement	<b>BCL/Program Code:</b>	19001
<b>Project Type:</b>	Rehabilitation or Restoration	<b>Start Date:</b>	ONGOING
<b>Project ID:</b>	TC365940	<b>End Date:</b>	ONGOING
<b>Location:</b>	Citywide		
<b>Neighborhood Plan:</b>	Not in a Neighborhood Plan	<b>Council District:</b>	More than one
<b>Neighborhood District:</b>	In more than one District	<b>Urban Village:</b>	In more than one Urban Village

This ongoing project repairs and/or replaces deteriorated pavement on arterial streets. Arterial Major Maintenance paving work typically spans one to three city blocks. It allows the City to respond quickly and cost effectively to pavement issues that are too large to be addressed with a pothole repair, yet are too small to be efficiently contracted. Project prioritization is based on pavement condition; cost; transit, bicycle, pedestrian and freight use; traffic volume; coordination opportunities; complaints and claims; and geographic balance across the city. The work extends the service life of existing pavement structures.

	LTD Actuals	2016 Rev	2017	2018	2019	2020	2021	2022	Total
<b>Revenue Sources</b>									
Real Estate Excise Tax II	14,730	0	<del>0</del> 62	0	0	0	0	0	<del>14,730</del> 14,792
Real Estate Excise Tax I	3,848	452	0	<del>0</del> 1,185	0	0	0	0	<del>4,300</del> 5,485
<u>Garage Disposition Proceeds</u>	<u>0</u>	<u>0</u>	<u>1,400</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,400</u>
Street Vacations - SVF	0	295	0	0	0	0	0	0	295
Vehicle Licensing Fees	1,200	600	600	600	600	600	600	600	5,400
Transportation Funding Package - Parking Tax	3,205	1,355	<del>1,650</del> 125	1,650	1,650	1,650	1,650	1,650	<del>14,460</del> 12,935
Transportation Funding Package - Lid Lift	7,643	18	0	0	0	0	0	0	7,661
State Gas Taxes - Arterial City Street Fund	612	0	0	0	0	0	0	0	612
General Subfund Revenues	200	0	0	0	0	0	0	0	200
Rubble Yard Proceeds	3,850	0	0	0	0	0	0	0	3,850
Transportation Move Seattle Levy - Lid Lift	0	3,000	1,500	1,500	1,500	1,500	2,000	2,000	13,000
<b>Total:</b>	35,288	5,719	<del>3,750</del> 3,687	<del>3,750</del> 4,935	3,750	3,750	4,250	4,250	<del>64,507</del> 65,630

**Fund Appropriations/Allocations**

Cumulative Reserve Subfund - Real Estate Excise Tax II Subaccount	14,730	0	<del>0</del> 62	0	0	0	0	0	<del>14,730</del> 14,792
Cumulative Reserve Subfund - Real Estate Excise Tax I Subaccount	3,848	452	0	<del>0</del> 1,185	0	0	0	0	<del>4,300</del> 5,485
Cumulative Reserve Subfund - Street Vacation Subaccount	0	295	0	0	0	0	0	0	295
Transportation Operating Fund	16,710	4,973	<del>3,750</del> 3,625	3,750	3,750	3,750	4,250	4,250	<del>45,183</del> 41,308
<b>Total*:</b>	35,288	5,719	<del>3,750</del> 3,687	<del>3,750</del> 4,935	3,750	3,750	4,250	4,250	<del>64,507</del> 65,630

<b>O &amp; M Costs (Savings)</b>			0	0	0	0	0	0	0
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## Seattle Department of Transportation

**Debt Service - CRF**

<b>BCL/Program Name:</b>	Debt Service Program	<b>BCL/Program Code:</b>	18002D
<b>Project Type:</b>	Rehabilitation or Restoration	<b>Start Date:</b>	ONGOING
<b>Project ID:</b>	TC320060	<b>End Date:</b>	ONGOING
<b>Location:</b>	N/A		
<b>Neighborhood Plan:</b>	Not in a Neighborhood Plan	<b>Council District:</b>	TBD
<b>Neighborhood District:</b>	Not in a Neighborhood District	<b>Urban Village:</b>	Not in an Urban Village

This project funds debt service for the following projects: Alaskan Way Viaduct/Tunnel & Seawall – TC366050 ~~and~~, Fremont Bridge Approaches and Electrical Major Maintenance – TC365790, Alaskan Way Main Corridor – TC367330, Elliott Bay Seawall – TC367320, 23<sup>rd</sup> Avenue Corridor Improvements – TC367420, and Bridge Rehabilitation and Replacement – TC366850.

	LTD Actuals	2016 Rev	2017	2018	2019	2020	2021	2022	Total
<b>Revenue Sources</b>									
Real Estate Excise Tax II	18,669	1,353	1,306	812	814	815	815	813	25,398
Real Estate Excise Tax I			<u>1,000</u>	<u>1,900</u>					<u>2,900</u>
2006 LTGO Bond	610	0	0	0	0	0	0	0	610
<b>Total:</b>	19,279	1,353	<del>1,306</del> <u>2,306</u>	<del>812</del> <u>2,712</u>	814	815	815	813	<del>26,008</del> <u>28,908</u>

**Fund Appropriations/Allocations**

Cumulative Reserve Subfund - Real Estate Excise Tax II Subaccount	18,669	1,353	1,306	812	814	815	815	813	25,398
<u>Cumulative Reserve Subfund - Real Estate Excise Tax I Subaccount</u>			<u>1,000</u>	<u>1,900</u>					<u>2,900</u>
2006 LTGO Capital Projects Fund	610	0	0	0	0	0	0	0	610
<b>Total*:</b>	19,279	1,353	<del>1,306</del> <u>2,306</u>	<del>812</del> <u>2,712</u>	814	815	815	813	<del>26,008</del> <u>28,908</u>

<b>O &amp; M Costs (Savings)</b>			0	0	0	0	0	0	0
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**Spending Plan by Fund**

Cumulative Reserve Subfund - Real Estate Excise Tax II Subaccount		1,353	1,306	812	814	815	815	813	6,729
<u>Cumulative Reserve Subfund - Real Estate Excise Tax I Subaccount</u>			<u>1,000</u>	<u>1,900</u>					<u>2,900</u>

2006 LTGO Capital Projects Fund		0	0	0	0	0	0	0	0
<b>Total:</b>	19,279	1,353	<del>4,306</del> <u>2,306</u>	<del>812</del> <u>2,712</u>	814	815	815	813	<del>6,729</del> <u>9,628</u>

**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 other City purposes approved by ordinance, to refinance certain outstanding City-guaranteed bonds of the Seattle Chinatown-International District Preservation and Development Authority, to provide a portion of the funds necessary to replace the Mercer Arena, and to pay the costs of issuance of the bonds; providing for certain terms, conditions, and covenants and the manner of sale of the bonds; authorizing certain agreements for the use of proceeds of the Bonds; and ratifying and confirming certain prior acts.

..body

WHEREAS, The City of Seattle, Washington (“City”), has determined that it is in its best

interest that certain capital improvement program projects or other City projects

identified in this ordinance be financed by the issuance of limited tax general obligation

bonds of the City in principal amount not to exceed ~~\$108~~-138 million; and

WHEREAS, the City has determined that it is in its best interest to refinance all or a portion of

the outstanding Special Obligation Refunding Bonds, 2007 of the Seattle Chinatown-

International District Preservation and Development Authority (SCIDPDA) to reduce

SCIDPDA’s borrowing costs and reduce the amount of outstanding public development

authority indebtedness guaranteed by the City; and

WHEREAS, pursuant to Ordinance 125088, passed on July 25, 2016, the City has determined

that it is in its best interest to provide \$5 million to be used in the replacement of the

Mercer Arena (“Mercer Arena Project”) and the City has determined that it is in its best

interests to finance a portion of such amount through the issuance of the general

obligation bonds authorized by this ordinance; and

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

5 **BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:**

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

8 “**Authorized Denomination**” means \$5,000 or any integral multiple thereof within a  
9 maturity of a Series.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

7           **“Government Obligations”** has the meaning given in RCW 39.53.010, as now in effect  
8 or as may hereafter be amended.

9           **“Issue Date”** means, with respect to a Bond, the date, as determined by the Director of  
10 Finance, on which that Bond is issued and delivered to the Purchaser in exchange for its  
11 purchase price.

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

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

16           **“Mercer Arena Project”** means the project undertaken by the Seattle Opera to replace  
17 the Mercer Arena, pursuant to the Third Amendment to the Mercer Arena Ground Lease, a  
18 Construction Agreement and other related documents, all as authorized by Ordinance 125088.

19           **“Omnibus Refunding Ordinance”** means Ordinance 124343 (which amended and  
20 restated Ordinance 121651, as amended by Ordinance 122286), as it may in the future be  
21 amended from time to time.

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



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

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

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

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

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

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

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

21           **“SCIDPDA”** means the Seattle Chinatown-International District Preservation and  
22 Development Authority, a public development authority of the City formed and operating under  
23 RCW 35.21.730, et seq.

1           **“SCIDPDA Refunding”** means the loan or other transfer of Bond proceeds from the  
2 City to SCIDPDA for the defeasance, redemption and retirement of all or a portion of  
3 SCIDPDA’s outstanding City-guaranteed Special Obligation Refunding Bonds, Series 2007.

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

5           **“Seattle Opera”** means the Seattle Opera, a Washington nonprofit corporation and  
6 tax-exempt 501(c)(3) organization.

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

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

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

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

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

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

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

4           **“Undertaking”** means each undertaking to provide continuing disclosure entered into  
5 pursuant to Section 14(c) of this ordinance, in substantially the form attached as Exhibit B.

6           Section 2. **Authorization of Bonds.** The City is authorized to borrow money on the  
7 credit of the City and issue limited tax general obligation bonds evidencing indebtedness in the  
8 maximum principal amount stated in Section 4 of this ordinance to pay all or part of the costs of  
9 various elements of the City’s capital improvement program (which costs may include  
10 capitalized interest, if necessary); to carry out the SCIDPDA Refunding; to finance a portion of  
11 the City’s contribution to the Mercer Arena Project; for other City purposes approved by  
12 ordinance; and to pay the costs of issuance of the Bonds. The Bonds may be issued in one or  
13 more Series and may be combined with other general obligation bonds (including refunding  
14 bonds) authorized separately. The Bonds shall be designated limited tax general obligation  
15 bonds, shall be numbered separately, and shall have any name, year and series or other label as  
16 deemed necessary or appropriate by the Director of Finance.

17           Section 3. **Manner of Sale of Bonds.** The Director of Finance may provide for the sale of  
18 each Series of the Bonds (or any portion thereof) by public sale, or by a negotiated sale, limited  
19 offering or private placement with a Purchaser chosen through a selection process acceptable to  
20 the Director of Finance. The Director of Finance is authorized to specify a date and time of sale  
21 of and a date and time for delivery of each Series of the Bonds; to give notice of that sale; to  
22 determine any bid parameters or other bid requirements and criteria for determining the award of  
23 the bid; to provide for the use of an electronic bidding mechanism; and to specify other matters

1 in his or her determination necessary, appropriate, or desirable in order to carry out the sale of  
2 each Series of the Bonds. Each Series of the Bonds must be sold on Bond Sale Terms in  
3 accordance with Section 4 of this ordinance.

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

11       (a) **Maximum Principal Amount.** The Bonds may be issued in one or more Series and  
12 shall not exceed the aggregate principal amount of \$~~108~~-138 million.

13       (b) **Date or Dates.** Each Bond shall be dated its Issue Date, as determined by the Director  
14 of Finance, which issue date may not be later than December 31, 2019.

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

16       (d) **Interest Rate(s); Payment Dates.** Each Bond shall bear interest from the Issue Date  
17 or from the most recent date for which interest has been paid or duly provided for, whichever is  
18 later, and shall be payable on dates determined by the Director of Finance. One or more rates of  
19 interest shall be established for each maturity of each Series of the Bonds, which rate or rates  
20 may be fixed or variable. If interest rates are fixed, interest shall be computed on the basis of a  
21 360-day year of twelve 30-day months and the net interest cost shall not exceed a weighted  
22 average rate of 10% per annum. Principal payments shall commence on a date and shall be

1 payable at maturity or in mandatory redemption installments on dates determined by the Director  
2 of Finance.

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

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

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

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

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

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

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

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

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

7 (iv) Any Series of the Bonds may be designated or qualified as Tax-Exempt  
8 Bonds or Taxable Bonds, or as Tax Credit Subsidy Bonds, and may include such additional  
9 terms and covenants relating to federal tax matters as the Director of Finance deems necessary or  
10 appropriate, consistent with Section 12 of this ordinance.

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

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

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

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

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 either a  
3 Registered or Beneficial Owner of Bonds with the same rights it would have if it were not the  
4 Bond Registrar and, to the extent permitted by law, may act as depository for and permit any of  
5 its officers or directors to act as members of, or in any other capacity with respect to, any  
6 committee formed to protect the rights of Beneficial Owners.

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

14           **(c) Securities Depository; Book-Entry Form.** The Bonds initially shall be registered in  
15 the name of the Securities Depository. The Bonds so registered shall be held fully immobilized  
16 in book-entry form by the Securities Depository in accordance with the provisions of the Letter  
17 of Representations. Neither the City nor the Bond Registrar shall have any responsibility or  
18 obligation to participants of the Securities Depository or the persons for whom they act as  
19 nominees with respect to the Bonds regarding accuracy of any records maintained by the  
20 Securities Depository or its participants of any amount in respect of principal of or interest on the  
21 Bonds, or any notice which is permitted or required to be given to Registered Owners and/or  
22 Beneficial Owners hereunder (except such notice as is required to be given by the Bond  
23 Registrar to the Securities Depository). Registered ownership of a Bond initially held in book-

1 entry form, or any portion thereof, may not be transferred except: (i) to any successor Securities  
2 Depository; (ii) to any substitute Securities Depository appointed by the City or such substitute  
3 Securities Depository's successor; or (iii) to any person if the Bond is no longer held in book-  
4 entry form.

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

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

19           Section 6. **Payment of Bonds.** Principal of and interest on each Bond shall be payable in  
20 lawful money of the United States of America. Principal of and interest on each Bond registered  
21 in the name of the Securities Depository is payable in the manner set forth in the Letter of  
22 Representations. Interest on each Bond not registered in the name of the Securities Depository is  
23 payable by electronic transfer on the interest payment date, or by check or draft of the Bond



1 Registrar mailed on the interest payment date to the Registered Owner at the address appearing  
2 on the Bond Register on the Record Date. However, the City is not required to make electronic  
3 transfers except pursuant to a request by a Registered Owner in writing received at least ten days  
4 prior to the Record Date and at the sole expense of the Registered Owner. Principal of each Bond  
5 not registered in the name of the Securities Depository is payable upon presentation and  
6 surrender of the Bond by the Registered Owner to the Bond Registrar. The Bonds are not subject  
7 to acceleration under any circumstances.

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

9           (a) **Optional Redemption.** All or some of the Bonds may be subject to redemption prior  
10 to their stated maturity dates at the option of the City at the times and on the terms approved in  
11 accordance with Section 4 of this ordinance.

12           (b) **Mandatory Redemption.** If not redeemed or purchased at the City's option prior to  
13 maturity, Term Bonds (if any) shall be redeemed, at a price equal to the principal amount thereof  
14 to be redeemed plus accrued interest, on the dates and in the years and principal amounts as set  
15 forth in the Bond Resolution. If the City redeems or purchases Term Bonds at the City's option  
16 prior to maturity, the Term Bonds so redeemed or purchased (irrespective of their redemption or  
17 purchase prices) shall be credited at the par amount thereof against the remaining mandatory  
18 redemption requirements as determined by the Director of Finance. In the absence of a  
19 determination by the Director of Finance or other direction in the Bond Resolution, credit shall  
20 be allocated on a pro-rata basis.

21           (c) **Selection of Bonds for Redemption; Partial Redemption.** If fewer than all of the  
22 outstanding Bonds are to be redeemed at the option of the City, the Director of Finance shall  
23 select the Series and maturity or maturities to be redeemed. If fewer than all of the outstanding

1 Bonds of a maturity of a Series are to be redeemed, the Securities Depository shall select Bonds  
2 registered in the name of the Securities Depository to be redeemed in accordance with the Letter  
3 of Representations, and the Bond Registrar shall select all other Bonds to be redeemed randomly  
4 in such manner as the Bond Registrar shall determine. All or a portion of the principal amount of  
5 any Bond that is to be redeemed may be redeemed in any Authorized Denomination. If less than  
6 all of the outstanding principal amount of any Bond is redeemed, upon surrender of that Bond to  
7 the Bond Registrar there shall be issued to the Registered Owner, without charge, a new Bond  
8 (or Bonds, at the option of the Registered Owner) of the same Series, maturity and interest rate in  
9 any Authorized Denomination in the aggregate principal amount to remain outstanding.

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

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

18 Interest on Bonds called for redemption shall cease to accrue on the date fixed for redemption  
19 unless the Bond or Bonds called are not redeemed when presented pursuant to the call.

20 In the case of an optional redemption, the notice may state that the City retains the right  
21 to rescind the redemption notice and the related optional redemption of Bonds by giving a notice  
22 of rescission to the affected Registered Owners at any time prior to the scheduled optional  
23 redemption date. Any notice of optional redemption that is rescinded by the Director of Finance

1 shall be of no effect, and the Bonds for which the notice of optional redemption has been  
2 rescinded shall remain outstanding.

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

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

14           Only Bonds bearing a certificate of authentication in substantially the following form  
15 (with the designation, year, and Series of the Bonds adjusted consistent with this ordinance),  
16 manually signed by the Bond Registrar, shall be valid or obligatory for any purpose or entitled to  
17 the benefits of this ordinance: “This Bond is one of the fully registered The City of Seattle,  
18 Washington, [Limited Tax General Obligation Bonds], [Year] [Series], described in [this  
19 ordinance].” The authorized signing of a certificate of authentication shall be conclusive  
20 evidence that the Bond so authenticated has been duly executed, authenticated, and delivered and  
21 is entitled to the benefits of this ordinance.

22           If any officer whose manual or facsimile signature appears on a Bond ceases to be an  
23 officer of the City authorized to sign bonds before the Bond bearing his or her manual or

1 facsimile signature is authenticated or delivered by the Bond Registrar or issued by the City, that  
2 Bond nevertheless may be authenticated, delivered, and issued and, when authenticated, issued,  
3 and delivered, shall be as binding on the City as though that person had continued to be an  
4 officer of the City authorized to sign bonds. Any Bond also may be signed on behalf of the City  
5 by any person who, on the actual date of signing of the Bond, is an officer of the City authorized  
6 to sign bonds, although he or she did not hold the required office on the date of issuance of the  
7 Bonds.

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

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

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

1 arbitrage rebate requirement of Section 148 of the Code is applicable to any Tax-Exempt Bonds,  
2 take all actions necessary to comply (or to be treated as having complied) with that requirement  
3 in connection with the Tax-Exempt Bonds, including the calculation and payment of any  
4 penalties that the City has elected to pay as an alternative to calculating rebatable arbitrage, and  
5 the payment of any other penalties if required under Section 148 of the Code to prevent interest  
6 on such Tax-Exempt Bonds from being included in gross income for federal income tax  
7 purposes.

8 (b) **Tax Credit Subsidy Bonds or other Taxable Bonds.** The Director of Finance may,  
9 without further action by the Council, designate any Series of the Bonds as Taxable Bonds or as  
10 Tax Credit Subsidy Bonds, and in the case of Tax Credit Subsidy Bonds may make provision in  
11 the Bonds or other written document(s) for such additional covenants of the City as may be  
12 necessary or appropriate in order for the City to (i) receive from the United States Treasury the  
13 applicable federal credit payments in respect of such Tax Credit Subsidy Bonds and (ii)  
14 otherwise become and remain eligible for tax benefits under the Code.

15 Section 13. **Refunding or Defeasance of the Bonds.** The Bonds are hereby designated  
16 “Refundable Bonds” for purposes of the Omnibus Refunding Ordinance. The City may issue  
17 refunding bonds pursuant to the laws of the State or use money available from any other lawful  
18 source to pay when due the principal of, premium, if any, and interest on any Bond, or portion  
19 thereof, included in a refunding or defeasance plan, and to redeem and retire, release, refund, or  
20 defease those Bonds (the “defeased Bonds”) and to pay the costs of such refunding or  
21 defeasance. If money and/or Government Obligations maturing at a time or times and in an  
22 amount sufficient, together with known earned income from the investment thereof, to redeem  
23 and retire, release, refund, or defease the defeased Bonds in accordance with their terms, are set

1 aside in a special trust fund or escrow account irrevocably pledged to such redemption,  
2 retirement, or defeasance (the “trust account”), then all right and interest of the owners of the  
3 defeased Bonds in the covenants of this ordinance and in the funds and accounts pledged to the  
4 payment of such defeased Bonds, other than the right to receive the funds so set aside and  
5 pledged, thereafter shall cease and become void. Such owners thereafter shall have the right to  
6 receive payment of the principal of and interest or redemption price on the defeased Bonds from  
7 the trust account. After establishing and fully funding such a trust account, the defeased Bonds  
8 shall be deemed as no longer outstanding, and the Director of Finance then may apply any  
9 money in any other fund or account established for the payment or redemption of the defeased  
10 Bonds to any lawful purposes. Notice of refunding or defeasance shall be given, and selection of  
11 Bonds for any partial refunding or defeasance shall be conducted, in the manner set forth in this  
12 ordinance for the redemption of Bonds.

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

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

22           (b) **Final Official Statement.** The City approves the preparation of a final official  
23 statement for the sale of one or more Series of the Bonds to be sold to the public in the form of

1 the preliminary official statement with such modifications and amendments as the Director of  
2 Finance deems necessary or desirable, and further authorizes the Director of Finance to execute  
3 and deliver such final official statement to the Purchaser. The City authorizes and approves the  
4 distribution by the Purchaser of that final official statement to purchasers and potential  
5 purchasers of the Bonds.

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

10 Section 15. **Deposit and Use of Proceeds.** Unless provided otherwise in the Bond  
11 Resolution, the principal proceeds and premium, if any, received from the sale and delivery of  
12 the Bonds shall be paid into or allocated to the 2017 Multipurpose LTGO Bond Fund, which has  
13 been created in the City Treasury pursuant to Ordinance 124925, or in such other funds,  
14 accounts, or subaccounts of the City Treasury as the Director of Finance may designate, and used  
15 for the purposes described in Section 2. The Director of Finance may use the principal proceeds  
16 and any premium to pay for costs of issuance of the Bonds, and the Director of Finance also may  
17 incur and account for non-cash costs of issuance that are not included as part of the bond  
18 proceeds and premium, including but not limited to any underwriter's discount.

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

1 amounts from the 2017 Multipurpose LTGO Bond Fund to other funds in order to carry out the  
2 purposes of this ordinance.

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

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

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



1 (a) The Director of Finance may, in his or her discretion and without further action by the  
2 City Council, (i) issue requests for proposals for underwriting or financing facilities and execute  
3 engagement letters with underwriters, bond insurers or other financial institutions based on  
4 responses to such requests, (ii) change the Bond Registrar or Securities Depository for the  
5 Bonds; and (iii) take such actions on behalf of the City as are necessary or appropriate for the  
6 City to designate, qualify or maintain the tax-exempt treatment with respect to any Series issued  
7 as Tax-Exempt Bonds, to receive from the United States Treasury the applicable federal credit  
8 payments in respect of any Series issued as Tax Credit Subsidy Bonds and to otherwise receive  
9 any other federal tax benefits relating to the Bonds that are available to the City; and

10 (b) Each of the Mayor and the Director of Finance is separately authorized to (i) execute  
11 and deliver any and all contracts or other documents as are consistent with this ordinance and for  
12 which the City's approval is necessary or to which the City is a party (including but not limited  
13 to agreements with escrow agents, refunding trustees, liquidity or credit support providers, bond  
14 insurers, remarketing agents, underwriters, lenders, fiscal agents, counterparties to interest rate  
15 swap, cap, floor; or similar agreements, custodians, and the Bond Registrar); (ii) negotiate,  
16 execute and deliver any and all contracts or other documents in form and substance acceptable to  
17 the Mayor and Director of Finance that are necessary or desirable (A) to carry out the SCIDPDA  
18 Refunding and obtain an agreement between the City and SCIDPDA that provides, among other  
19 things, for periodic payments by SCIDPDA to reimburse the City for debt service on the portion  
20 of the Bonds issued to carry out the SCIDPDA Refunding, and (B) obtain an agreement between  
21 the City and the Seattle Opera that provides, among other things, for ownership and use of the  
22 improvements or assets acquired in connection with the Mercer Arena Project and take such  
23 actions as may be necessary or desirable in connection with the bond financing of the City's

1 portion of such project, and (iii) execute and deliver such other contracts or documents incidental  
2 to the issuance and sale of a Series of the Bonds; the establishment of the initial interest rate or  
3 rates on a Bond; or the tender, purchase, remarketing, or redemption of a Bond, as may in his or  
4 her judgment be necessary or appropriate.

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

13       Section 18. **Ratification of Prior Acts**. Any action taken consistent with the authority of  
14 this ordinance, after its passage but prior to the effective date, is ratified, approved, and  
15 confirmed.

16       Section 19. **Section Headings**. The section headings in this ordinance are used for  
17 convenience only and shall not constitute a substantive portion of this ordinance.

1           Section 20. **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 \_\_\_\_\_, 2016,  
5 and signed by me in open session in authentication of its passage this \_\_\_\_ day of  
6 \_\_\_\_\_, 2016.

7 \_\_\_\_\_  
8 President \_\_\_\_\_ of the City Council

9 Approved by me this \_\_\_\_\_ day of \_\_\_\_\_, 2016.

10 \_\_\_\_\_  
11 Edward B. Murray, Mayor

12 Filed by me this \_\_\_\_\_ day of \_\_\_\_\_, 2016.

13 \_\_\_\_\_  
14 Monica Martinez Simmons, City Clerk

15 (Seal)

- 16 Attachments:  
17 Exhibit A – Description of 2017 Projects  
18 Exhibit B – Form of Undertaking to Provide Continuing Disclosure  
19

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**EXHIBIT A**  
**DESCRIPTION OF 2017 PROJECTS**

Description	Approximate Principal Amount
<u>Affordable Housing</u>	\$ <u>29,000,000</u>
Financial IT Upgrades Depts. (GF)	2,631,000
Financial IT Side Systems	1,721,000
Mercer Arena	4,800,000
Muni Court IT	2,500,000
Fire Station 5	4,300,000
Fire Station 22	6,611,000
Fire Station 32	2,000,000
23 <sup>rd</sup> Avenue Corridor (CPT)	1,651,000
Seawall-LTGO (CPT)	30,421,000
Bridge Rehab (CPT)	5,247,000
City Center Street Car (CPT)	4,701,000
Alaskan Way Corridor (CPT)	5,975,000
CWF Overlook (CPT)	3,281,000
Financial IT Upgrades (FAS)	16,345,000
Sea Muni Twr TI	4,800,000
King Station TI for Arts	1,800,000
SCIDPA Refunding	5,500,000
Issuance Costs and Pricing Adjustments	<u>3,128,000</u> <u>3,998,000</u>
 Total	 \$ <del>107,412,000</del> <u>137,282,000</u>

**EXHIBIT B**

**FORM OF UNDERTAKING TO PROVIDE CONTINUING DISCLOSURE**

The City of Seattle, Washington (the “City”) makes the following written Undertaking for the benefit of the Owners of the City’s [Limited Tax General Obligation Bonds, 2017][Series Designation] (the “Bonds”), for the sole purpose of assisting the Purchaser in meeting the requirements of paragraph (b)(5) of Rule 15c2-12, as applicable to a participating underwriter for the Bonds. Capitalized terms used but not defined below shall have the meanings given in Ordinance \_\_\_\_\_ and Resolution \_\_\_\_\_ (together, the “Bond Legislation”).

(a) Undertaking to Provide Annual Financial Information and Notice of Listed Events.

The City undertakes to provide or cause to be provided, either directly or through a designated agent, to the Municipal Securities Rulemaking Board (the “MSRB”), in an electronic format as prescribed by the MSRB, accompanied by identifying information as prescribed by the MSRB:

(i) Annual financial information and operating data of the type included in the final official statement for the Bonds and described in subsection (b) of this section (“annual financial information”). The timely filing of unaudited financial statements shall satisfy the requirements and filing deadlines pertaining to the filing of annual financial statements under subsection (b), provided that audited financial statements are to be filed if and when they are otherwise prepared and available to the City.

(ii) Timely notice (not in excess of 10 business days after the occurrence of the event) of the occurrence of any of the following events with respect to the Bonds: (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or

1 their failure to perform; (6) adverse tax opinions, the issuance by the Internal Revenue Service of  
2 proposed or final determinations of taxability, Notice of Proposed Issue (IRS Form 5701 – TEB)  
3 or other material notices or determinations with respect to the tax status of the Bonds, or other  
4 material events affecting the tax status of the Bonds; (7) modifications to rights of holders of the  
5 Bonds, if material; (8) bond calls (other than scheduled mandatory redemptions of Term Bonds),  
6 if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property  
7 securing repayment of the Bonds, if material; (11) rating changes; (12) bankruptcy, insolvency,  
8 receivership or similar event of the City, as such “Bankruptcy Events” are defined in Rule 15c2-  
9 12; (13) the consummation of a merger, consolidation, or acquisition involving the City or the sale  
10 of all or substantially all of the assets of the City other than in the ordinary course of business, the  
11 entry into a definitive agreement to undertake such an action or the termination of a definitive  
12 agreement relating to any such actions, other than pursuant to its terms, if material; and (14)  
13 appointment of a successor or additional trustee or the change of name of a trustee, if material.

14 (iii) Timely notice of a failure by the City to provide required annual financial  
15 information on or before the date specified in subsection (b) of this section.

16 (b) Type of Annual Financial Information Undertaken to be Provided. The annual  
17 financial information that the City undertakes to provide in subsection (a) of this section:

18 (i) Shall consist of (1) annual financial statements of the City prepared in  
19 accordance with applicable generally accepted accounting principles applicable to governmental  
20 units (except as otherwise noted herein), as such principles may be changed from time to time and  
21 as permitted by State law; (2) a statement of outstanding general obligation debt of the City; (3) the  
22 assessed value of the property within the City subject to ad valorem taxation; and (4) ad valorem  
23 tax levy rates and amounts and percentages of taxes collected;

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

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

8                   (c)     Amendment of Undertaking. This Undertaking is subject to amendment after the  
9 primary offering of the Bonds without the consent of any Owner or holder of any Bond, or of any  
10 broker, dealer, municipal securities dealer, participating underwriter, rating agency or the MSRB,  
11 under the circumstances and in the manner permitted by Rule 15c2-12. The City will give notice  
12 to the MSRB of the substance (or provide a copy) of any amendment to this Undertaking and a  
13 brief statement of the reasons for the amendment. If the amendment changes the type of annual  
14 financial information to be provided, the annual financial information containing the amended  
15 financial information will include a narrative explanation of the effect of that change on the type  
16 of information to be provided.

17                   (d)     Beneficiaries. The Undertaking evidenced by this section shall inure to the benefit  
18 of the City and any Beneficial Owner of Bonds, and shall not inure to the benefit of or create any  
19 rights in any other person.

20                   (e)     Termination of Undertaking. The City's obligations under this Undertaking shall  
21 terminate upon the legal defeasance, prior redemption, or payment in full of all of the Bonds. In  
22 addition, the City's obligations under this Undertaking shall terminate if those provisions of  
23 Rule 15c2-12 which require the City to comply with this Undertaking become legally inapplicable

1 in respect of the Bonds for any reason, as confirmed by an opinion of nationally recognized bond  
2 counsel or other counsel familiar with federal securities laws delivered to the City, and the City  
3 provides timely notice of such termination to the MSRB.

4 (f) Remedy for Failure to Comply with Undertaking. As soon as practicable after the  
5 City learns of any material failure to comply with the Undertaking, the City will proceed with due  
6 diligence to cause such noncompliance to be corrected. No failure by the City or other obligated  
7 person to comply with this Undertaking shall constitute a default in respect of the Bonds. The sole  
8 remedy of any Owner of a Bond shall be to take such actions as that Owner deems necessary,  
9 including seeking an order of specific performance from an appropriate court, to compel the City  
10 or other obligated person to comply with the Undertaking.

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

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

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

21 (iii) Determining whether any person other than the City is an “obligated  
22 person” within the meaning of Rule 15c2-12 with respect to the Bonds, and obtaining from such



1 person an undertaking to provide any annual financial information and notice of listed events for  
2 that person in accordance with Rule 15c2-12;

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

6 (v) Effecting any necessary amendment of the Undertaking.

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