

**CITY OF SEATTLE**  
**ORDINANCE** 126364  
**COUNCIL BILL** 120073

AN ORDINANCE relating to financing public improvements within Local Improvement District No. 6751 (also known as the Waterfront LID); authorizing and providing for the issuance and sale of local improvement district bonds (LID Bonds, as defined herein) to provide funds to pay or reimburse a portion of the costs of the LID Improvements (as defined), to make a deposit to the Local Improvement Guaranty Fund, and to pay the costs of issuance of the bonds; pledging the LID assessments collected in the Waterfront LID and the amounts available in the Local Improvement Guaranty Fund to pay and secure the LID Bonds; providing parameters for Bond Sale Terms including conditions, covenants, and other sale terms; providing for and fixing the installment payment terms and interest rate on assessments in the Waterfront LID; amending Section 20.08.020 of the Seattle Municipal Code to conform to changes in state law; and ratifying and confirming certain prior acts.

WHEREAS, The City of Seattle, Washington (the “City”) is authorized, pursuant to chapter 35.43 RCW, et seq., and Chapters 20.04, 20.08, and 20.12 of the Seattle Municipal Code, to form local public improvement districts for the purpose of constructing local public improvements, to levy and collect special assessments on property specially benefited thereby in order to pay the whole or any part of the expense of such improvements, and to issue local improvement district warrants, notes, bonds, or other obligations pursuant to chapter 35.45 RCW to finance such improvements; and

WHEREAS, pursuant to Ordinance 125760 (the “LID Formation Ordinance”), passed on January 22, 2019 after the requisite public process, the City created Local Improvement District No. 6751 to finance the LID Improvements and created a local improvement fund (the “Waterfront LID Fund”), the statutory period under RCW 35.43.100 and 35.43.180 for bringing any protest or legal challenge to the LID Formation ordinance has expired, and all challenges brought within the appropriate time have been resolved or dismissed; and

1 WHEREAS, by Resolution 31915, the City Council initiated the process to confirm Waterfront  
2 LID assessments, fixed the date for a hearing on the final assessment roll where  
3 property owners subject to assessment may object to their assessments, and designated  
4 the Hearing Examiner for the City of Seattle to conduct the required hearing on the LID  
5 final assessment roll pursuant to RCW 35.44.070; and

6 WHEREAS, the Hearing Examiner filed a report of Findings and Recommendations (“Initial  
7 Report”) on the final assessment roll with the City Clerk on September 8, 2020 and, by  
8 Resolution 31979, the City Council remanded certain properties to the City Appraiser  
9 for further analysis concerning valuation consistent with the recommendations in the  
10 Initial Report; and

11 WHEREAS, the Hearing Examiner filed a final report of Findings and Recommendations  
12 (“Final Report”) with the City Clerk on February 1, 2021, which included findings by  
13 the Hearing Examiner following further analysis of the valuation of certain properties  
14 referred to as remanded properties in accordance with Resolution 31979; and

15 WHEREAS, pursuant to RCW 35.44.070 and SMC 20.04.090, the Council is required to hear  
16 any appeals from the report of the Hearing Examiner on the final assessment roll for  
17 local improvement districts; and

18 WHEREAS, by adopting Resolutions 31969, 31972, 31973, and 31974, Council fixed the  
19 dates for hearing appeals by property owners regarding the Final Report of the Hearing  
20 Examiner on the final assessment roll on March 2, 2021 and April 6, 2021; and

21 WHEREAS, after such hearing and resolution of all appeals, the City Council has considered  
22 and approved Council Bill 120072 confirming the final assessment roll for the  
23 Waterfront LID; and

1 WHEREAS, a total of approximately \$21.9 million in expenses for the cost of the LID  
2 Improvements will have been incurred in Central Waterfront Improvement Fund 35900  
3 (“CWIF”) which are required to be repaid with available LID assessments or proceeds of  
4 the bonds. Of this total, the City currently estimates that approximately \$9.675 million in  
5 expenditures for the LID Improvements have been temporarily supported by other  
6 revenues related to the Central Waterfront Program available within the CWIF (Fund  
7 35900), and is expected to be reimbursed with available LID assessments or proceeds of  
8 the Bonds; and

9 WHEREAS, by Ordinance 123761, as amended by Ordinance 125990, the City authorized an  
10 interfund loan in an amount not to exceed \$12.225 million to the CWIF (Fund 35900)  
11 (the “CWIF Interfund Loan”) to pay various costs of the Central Waterfront Program.  
12 The City currently estimates that a portion of the approximately \$21.9 million of the costs  
13 of the LID Improvements incurred in CWIF (Fund 35900) is allocated to the CWIF  
14 Interfund Loan, and the full authorized amount (approximately \$12.225 million) of the  
15 CWIF Interfund Loan is expected to be repaid with available LID assessments or  
16 proceeds of the Bonds; and

17 WHEREAS, by Ordinance 125991, the City authorized an interfund loan to the Waterfront LID  
18 Fund (the “LID Interfund Loan” and together with the CWIF Interfund Loan, the  
19 “Interfund Loans”) to pay the costs of the LID Improvements in an amount not to exceed  
20 \$19.0 million. The City currently estimates that approximately \$7.9 million will be drawn  
21 to pay costs of the LID Improvements and is expected to be repaid with available LID  
22 assessments or proceeds of the Bonds; and

1 WHEREAS, in order to provide financing (including refinancing the Interfund Loans and  
2 reimbursing certain costs paid out of the CWIF (Fund 35900)) for the costs of the LID  
3 Improvements, the City Council finds that it is necessary or desirable to issue and sell  
4 the local improvement district bonds (the “LID Bonds”) as authorized herein; and

5 WHEREAS, the City Council has determined that the LID Bonds authorized herein are  
6 consistent with the Debt Management Policies adopted in Resolution 31553; NOW,  
7 THEREFORE,

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

9 Section 1. **Definitions.** As used in this ordinance:

10 “**Authorized Denomination**” means \$5,000 or any integral multiple thereof within an  
11 Estimated Redemption Group, or such other minimum authorized denominations as may be  
12 specified in the applicable Bond Documents.

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

15 “**Bond**” means any of the Local Improvement District No. 6751 bonds authorized to be  
16 issued by this ordinance.

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

20 “**Bond Documents**” means (a) this ordinance (including any amendatory or  
21 supplemental ordinances) and any future ordinance setting forth the parameters for the Bond Sale  
22 Terms; (b) the authenticated bond form; and (c) the written agreement(s) setting forth the Bond  
23 Sale Terms and additional terms, conditions, or covenants pursuant to which such Bond was

1 issued and sold, as set forth in any one or more of the following (if any): (i) a sale resolution, (ii)  
2 a bond purchase contract (as defined in the applicable authorizing ordinance), (iii) a bond  
3 indenture or a fiscal agent or paying agent agreement (other than the State fiscal agency  
4 contract), and (iv) a direct purchase or continuing covenant agreement.

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

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

12       **“Bond Sale Terms”** means the terms and conditions for the sale of the Bonds approved  
13 by the Director of Finance consistent with the parameters set forth in Section 4 of this ordinance,  
14 including the amount, date or dates, denominations, interest rate or rates (or mechanism for  
15 determining interest rate or rates), payment dates, Estimated Redemption Dates, final maturity,  
16 redemption rights, price, and other terms, conditions or covenants. In connection with a  
17 negotiated sale or private placement, the Bond Sale Terms shall be set forth in the Bond  
18 Purchase Contract; in connection with a competitive sale, the Bond Sale Terms shall be set forth  
19 in a Pricing Certificate.

20       **“Book-Entry Form”** means a fully registered form in which physical bond or note  
21 certificates are registered only in the name of the Securities Depository (or its nominee), as  
22 Registered Owner, with the physical certificates held by and immobilized in the custody of the  
23 Securities Depository (or its designee), where the system for recording and identifying the

1 transfer of the ownership interests of the Beneficial Owners in those bonds or notes is neither  
2 maintained by nor the responsibility of the City or the Registrar.

3       **“City”** means The City of Seattle, Washington.

4       **“Continuing Disclosure Agreement”** means, for Bonds sold in an offering subject to  
5 federal securities regulations requiring a written undertaking to provide continuing disclosure, a  
6 continuing disclosure agreement entered into pursuant to Section 13(c) of this ordinance, in  
7 substantially the form attached as Exhibit A.

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

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

12       **“Estimated Redemption Date”** means the date on which each Bond is estimated to be  
13 redeemed prior to the Maturity Date, as set forth in the Bond Documents.

14       **“Estimated Redemption Group”** means all Bonds bearing the same Estimated  
15 Redemption Date and bearing the same serial number.

16       **“Estimated Redemption Schedule”** means a schedule of showing the Estimated  
17 Redemption Dates and identifying the Bonds assigned to each Estimated Redemption Group.

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

20       **“Government Obligations”** means, unless otherwise limited in the Bond Documents,  
21 any government obligation as that term is defined in RCW 39.53.010, as now in effect or as may  
22 hereafter be amended.

1           **“Interfund Loans”** means, together (a) the interfund loan to the Waterfront LID Fund  
2 authorized by Ordinance 125991 (the “LID Interfund Loan”) to pay the costs of the LID  
3 Improvements; and (b) the interfund loan to the Central Waterfront Improvement Fund  
4 authorized by Ordinance 123761, as amended by Ordinance 125990 (the “CWIF Interfund  
5 Loan”) allocated to paying costs of the LID Improvements.

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

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

10           **“LID Assessments”** means all collections pertaining to assessments on the assessment  
11 roll of the Waterfront LID, including without limitation prepayments, installments, interest, and  
12 penalties, if any.

13           **“LID Bond Redemption Account”** means such account, subaccount, or other method  
14 of segregation for accounting purposes within the Waterfront LID Fund designated by the  
15 Director of Finance to be used for the payment of the principal of and interest on the Bonds.

16           **“LID Formation Ordinance”** means Ordinance 125760, ordering that a local  
17 improvement district, to be known as the Waterfront LID, be created, authorizing creation of the  
18 Waterfront LID Fund, and ordering that the LID Improvements be carried out.

19           **“LID Improvements”** means those improvements identified in the LID Formation  
20 Ordinance, which are authorized to be constructed in the Waterfront LID and designated as  
21 “payable by bonds” to be repaid from collections in respect of LID Assessments levied on  
22 properties in the Waterfront LID.

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

4           **“Local Improvement Guaranty Fund”** means the fund of that name created by  
5 Ordinance 52903 and described in Chapter 20.08 SMC.

6           **“Maturity Date”** means such date as the Director of Finance may agree to in the Bond  
7 Sale Terms, which is not more than 22 years after the Issue Date.

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

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

13           **“Purchaser”** means an entity (or entities) selected by the Director of Finance in  
14 accordance with this ordinance to serve as underwriter, purchaser or successful bidder in a sale  
15 of the Bonds.

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

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



1           **“Registered Owner”** means, with regard to a Bond, the person in whose name that Bond  
2 is registered on the Bond Register. For so long as the Bonds are held in Book-Entry Form under  
3 a Letter of Representations, Registered Owner shall mean the Securities Depository.

4           **“Registrar”** means the Fiscal Agent (unless the Director of Finance appoints a different  
5 person to act as Registrar with respect to the Bonds), or any successor Registrar selected in  
6 accordance with the Registration Ordinance.

7           **“Registration Ordinance”** means Chapter 5.10 SMC, as amended.

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

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

11          **“SMC”** means the Seattle Municipal Code.

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

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

17          **“Waterfront LID Fund”** means the City’s Local Improvement District No. 6751 Fund  
18 previously created by the LID Formation Ordinance and authorized by SMC 20.04.150.

19          Section 2.     **Authorization and Description of Bonds.** The City is authorized to  
20 issue local improvement district bonds (the “Bonds”) in a maximum aggregate principal  
21 amount not to exceed the amount stated in Section 4 of this ordinance, for the purpose of  
22 providing funds (a) to pay or reimburse a portion of the costs of the LID Improvements as  
23 permitted under RCW 35.43.020 (including repaying the Interfund Loans and reimbursing the

1 CWIF (Fund 35900) for Local Improvement costs); (b) to make a deposit to the Local  
2 Improvement Guaranty Fund; and (c) to pay the costs of issuance of the Bonds. The Bonds  
3 shall be designated local improvement district bonds, shall be numbered serially for each  
4 Estimated Redemption Group as set forth in an Estimated Redemption Schedule, and shall  
5 have such name, year, and other additional label or designation as deemed necessary or  
6 appropriate by the Director of Finance.

7 The Bonds shall be paid and redeemed by the collection of the LID Assessments, which  
8 shall be payable as set forth in Section 11 of this ordinance.

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

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

1 accordance with RCW 39.46.040(2) and for purposes of making other determinations pursuant to  
2 this ordinance.

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

8 (i) **Maximum Principal Amount.** The Bonds are authorized to be issued in a  
9 maximum aggregate principal amount equal to the amount of the final assessment roll confirmed  
10 by Council Bill 120072 and may not exceed the total amount of unpaid LID Assessments  
11 outstanding as of the expiration of the 30-day period for prepayment of LID Assessments  
12 described in RCW 35.49.040.

13 (ii) **Date or Dates.** Each Bond shall be dated its Issue Date, as determined by  
14 the Director of Finance. The Issue Date shall be no earlier than the effective date of Council Bill  
15 120072 and shall be at least 20 days after the expiration of the 30-day period for prepayment of  
16 LID Assessments consistent with RCW 35.45.010.

17 (iii) **Denominations.** The Bonds shall be issued in Authorized Denominations,  
18 except for the Bonds in the Estimated Redemption Group assigned the highest serial number,  
19 which shall reflect the remaining principal amount of the Bonds.

20 (iv) **Interest Rate(s).** Each Bond shall bear interest from its Issue Date or from  
21 the most recent date to which interest has been paid or duly provided, unless otherwise provided  
22 in the applicable Bond Documents. One or more fixed rates of interest shall be established for  
23 each Estimated Redemption Group.

1                   (v)     **Payment Dates.** Interest shall be payable annually on dates acceptable to  
2 the Director of Finance. Principal of the Bonds shall be payable on the Maturity Date. Principal  
3 of the Bonds may be additionally redeemed annually, at the City’s option, on such interest  
4 payment dates as may be established in accordance with the applicable Bond Documents.

5                   (vi)    **Maximum Term.** The Bonds shall mature on the interest payment date  
6 next occurring after the 22nd anniversary of the expiration of the 30-day period for prepayment  
7 of LID Assessments.

8                   (vii)   **Redemption Prior to Maturity.** Each Bond shall be subject to optional  
9 redemption prior to its maturity. The Bond Sale Terms shall set forth an Estimated Redemption  
10 Schedule for the Bonds. Notwithstanding that Estimated Redemption Schedule, principal of the  
11 Bonds shall be redeemed, in serial order, prior to maturity annually (on each interest payment  
12 date next occurring after the anniversary of the expiration of the 30-day period for prepayment of  
13 LID Assessments) in principal amounts equal to the amount (if any) then available in the LID  
14 Bond Redemption Account in excess of the amounts necessary to pay the interest then due and  
15 payable, adjusting for redemption of Bonds in Authorized Denominations.

16                   (viii) **Price.** The Bonds shall be sold at par.

17                   (ix)    **Additional Terms, Conditions, and Agreements.**

18                   (A)    **Local Improvement Guaranty Fund.** The Bond Sale Terms shall  
19 provide for a deposit to the Local Improvement Guaranty Fund in an amount determined by the  
20 Director of Finance, consistent with Section 12 of this ordinance.

21                   (B)    **Other Terms, Conditions, and Covenants.** The Director of  
22 Finance is authorized to execute, on behalf of the City, such additional certificates and

1 agreements as the Director of Finance may deem necessary or desirable to reflect the Bond Sale  
2 Terms and any additional credit support, liquidity, terms, conditions, and covenants.

3 Section 5. **Registrar; Registration and Transfer of Bonds.**

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

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

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

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

22 Bonds surrendered to the Registrar may be exchanged for Bonds in any Authorized  
23 Denomination of an equal aggregate principal amount and of the same security, interest rate, and

1 Estimated Redemption Group. Bonds may be transferred only if endorsed in the manner  
2 provided thereon and surrendered to the Registrar. Any exchange or transfer shall be without  
3 cost to an Owner or transferee. The Registrar shall not be obligated to exchange or transfer any  
4 Bond during the period between the Record Date and the corresponding interest payment date or  
5 redemption date.

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

20 Upon the resignation of the Securities Depository from its functions as depository, or  
21 upon a determination by the Director of Finance to discontinue utilizing the then-current  
22 Securities Depository, the Director of Finance may appoint a substitute Securities Depository. If  
23 the Securities Depository resigns from its functions as depository and no substitute Securities

1 Depository can be obtained, or if the Director of Finance determines not to utilize a Securities  
2 Depository, then the Bonds shall no longer be held in Book-Entry Form and ownership may be  
3 transferred only as provided herein.

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

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

15 Section 6. **Payment of Bonds.**

16 (a) **Payment.** Both principal of and interest on the Bonds shall be payable solely out  
17 of the LID Bond Redemption Account and from the Local Improvement Guaranty Fund. The  
18 Bonds shall be payable in lawful money of the United States of America on the dates and in the  
19 amounts as provided in the Bond Documents.

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

22 (c) **Bonds Not Held In Book-Entry Form.** Unless otherwise set forth in the Bond  
23 Documents, interest on each Bond not held in Book-Entry Form shall be payable by electronic

1 transfer on the interest payment date, or by check or draft of the Bond Registrar mailed on the  
2 interest payment date to the Registered Owner at the address appearing on the Bond Register on  
3 the Record Date. The City, however, shall not be required to make electronic transfers except  
4 pursuant to a request by a Registered Owner in writing received at least ten days prior to the  
5 Record Date and at the sole expense of the Registered Owner. Unless otherwise set forth in the  
6 Bond Documents, principal of each Bond not held in Book-Entry Form shall be payable upon  
7 presentation and surrender of the Bond by the Registered Owner to the Bond Registrar.

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

9           (a)       **Redemption of Bonds Prior to Maturity.** The Bonds shall be subject to  
10 redemption prior to the Maturity Date on each annual interest payment date on which there is  
11 money in the LID Bond Redemption Account over and above the amount required for the  
12 payment of the interest due on that interest payment date on all unpaid Bonds. All or a portion  
13 of the principal amount of any Bond that is to be redeemed may be redeemed in an Authorized  
14 Denomination. Interest on Bonds (or portions thereof) called for redemption shall cease to  
15 accrue on the date fixed for redemption, and the Bond or Bonds (or portion thereof) called shall  
16 no longer be deemed to be outstanding, unless that principal amount of Bonds is not redeemed  
17 when presented pursuant to the call.

18           (b)       **Selection of Bonds for Redemption; Estimated Redemption Schedule.** The  
19 Bonds shall be called for redemption in the order of Estimated Redemption Groups set forth on  
20 the Estimated Redemption Schedule.

21           (c)       **Partial Redemption.** If the Bonds are held in Book-Entry Form and less than  
22 all of the principal amount of an Estimated Redemption Group is to be redeemed, the portion  
23 of such Estimated Redemption Group to be redeemed shall be selected for redemption by the



1 Securities Depository in accordance with the Letter of Representations. If the Bonds are not  
2 then held in Book-Entry Form, the portion of such Estimated Redemption Group to be  
3 redeemed shall be selected by the Registrar randomly in such manner as the Registrar shall  
4 determine. If less than all of the outstanding principal amount of any Bond is redeemed, upon  
5 surrender of that Bond to the Registrar there shall be issued to the Registered Owner, without  
6 charge, a new Bond (or Bonds, at the option of the Registered Owner) of the same security,  
7 Estimated Redemption Group, and interest rate, representing the aggregate principal amount to  
8 remain outstanding.

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

12 Section 8. **Notice of Redemption.** Notice of intended redemption of any Bond that  
13 is held in Book-Entry Form shall be given in accordance with the Letter of Representations, by  
14 first class mail, postage prepaid, to the Registered Owner of any Bond to be redeemed at the  
15 address appearing on the Bond Register on the Record Date.

16 Unless otherwise set forth in the applicable Bond Documents, notice of any intended  
17 redemption of a Bond not held in Book-Entry Form shall be given not less than 20 nor more  
18 than 60 days prior to the date fixed for redemption by first-class mail, postage prepaid, to the  
19 Registered Owner of any Bond to be redeemed at the address appearing on the Bond Register  
20 on the Record Date.

21 The requirements of this section shall be deemed to have been fulfilled when notice has  
22 been mailed as so provided, whether or not it is actually received by the Owner of any Bond.

1           Section 9.     **Failure to Pay Bonds.** If any Bond (or portion thereof) is not paid when  
2 properly presented at its Maturity Date or date set for redemption prior to maturity, the City  
3 shall be obligated to pay interest on that Bond at the same rate provided in that Bond from and  
4 after its maturity or call date until that Bond, as to both principal and interest, is paid in full or  
5 until sufficient money for its payment in full is on deposit in the LID Bond Redemption  
6 Account and that Bond has been called for payment by mailing notice of that call, postage  
7 prepaid, to the Registered Owner of that Bond. The Owners of the Bonds shall also have  
8 recourse against the Local Improvement Guaranty Fund of the City in accordance with Section  
9 12 of this ordinance.

10           If the City fails to pay any Bond or to promptly collect any LID Assessment in respect  
11 of the Waterfront LID when due, the Owner of that Bond may proceed in his or her own name  
12 to collect the LID Assessment and foreclose the lien thereof in any court of competent  
13 jurisdiction and shall recover in addition to the amount of the Bond and interest thereon any  
14 amounts available in accordance with RCW 35.45.080. Any number of Owners of such Bond  
15 may join as plaintiffs, and any number of owners of property upon which the delinquent LID  
16 Assessments are liens, may be joined as defendants in the same suit.

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

22           Each Bond shall bear the following: “The laws of the State of Washington under which  
23 this Bond is issued (RCW 35.45.070) require the following notice: ‘Neither the holder nor

1 owner of any bond, interest coupon, warrant, or other short-term obligation issued against a  
2 local improvement fund shall have any claim therefor against the city or town by which it is  
3 issued, except for payment from the special assessments made for the improvement for which  
4 the bond or warrant was issued and except also for payment from the local improvement  
5 guaranty fund of the city or town as to bonds issued after the creation of a local improvement  
6 guaranty fund of that city or town. The city or town shall not be liable to the holder or owner of  
7 any bond, interest coupon, warrant, or other short-term obligation for any loss to the local  
8 improvement guaranty fund occurring in the lawful operation thereof. A copy of the foregoing  
9 part of this section shall be plainly written, printed or engraved on each bond.”

10       Only Bonds bearing a certificate of authentication in substantially the following form  
11 (with the designation, year, serial number, and Estimated Redemption Group, of the Bonds  
12 adjusted consistent with this ordinance), manually signed by the Registrar, shall be valid or  
13 obligatory for any purpose or entitled to the benefits of this ordinance: “This Bond is one of the  
14 fully registered The City of Seattle, Washington, [Local Improvement District No. 6751 Bonds],  
15 [Year], described in [this ordinance].” The authorized signing of a certificate of authentication  
16 shall be conclusive evidence that the Bond so authenticated has been duly executed,  
17 authenticated, and delivered and is entitled to the benefits of this ordinance.

18       If any officer whose manual or facsimile signature appears on a Bond ceases to be an  
19 officer of the City authorized to sign Bonds before the Bond bearing his or her manual or  
20 facsimile signature is authenticated or delivered by the Registrar or issued by the City, that Bond  
21 nevertheless may be authenticated, delivered, and issued and, when authenticated, issued, and  
22 delivered, shall be as binding on the City as though that person had continued to be an officer of  
23 the City authorized to sign Bonds. Any Bond also may be signed on behalf of the City by any

1 person who, on the actual date of signing of the Bond, is an officer of the City authorized to sign  
2 Bonds, although he or she did not hold the required office on the date of issuance of the Bonds.

3           Section 11.    **Pledge of LID Assessments and Flow of Funds; Fixing Assessment**  
4 **Installment Payment Terms and Interest Rate.**

5           (a)    **Pledge of LID Assessments.** All LID Assessments collected in Local  
6 Improvement District No. 6751 after the Issue Date of the Bonds, together with all interest and  
7 penalties thereon, if any, are pledged to the payment of the Bonds. The Bonds are payable  
8 solely out of the LID Bond Redemption Account and the Local Improvement Guaranty Fund  
9 of the City in the manner provided by law. In accordance with RCW 35.45.070, neither the  
10 holder nor Owner of any Bond, interest coupon, warrant, or other short-term obligation issued  
11 against the Waterfront LID Fund, or the LID Bond Redemption Account therein, shall have  
12 any claim therefor against the City except for payment from the LID Assessments and for  
13 payment from the Guaranty Fund. The Bonds are not general obligations of the City.

14           The City covenants and agrees to deposit in the LID Bond Redemption Account on or  
15 before the Maturity Date, proceeds received in respect of the collection of LID Assessments in  
16 an amount sufficient to pay the principal of and interest on the Bonds as the same become due.  
17 The Bonds shall be obligations only of the Waterfront LID Fund, and the Bond Redemption  
18 Account therein, and shall not be general obligations of the City. The Bonds shall be further  
19 secured by the Local Improvement Guaranty Fund pursuant to chapter 35.54 RCW and  
20 Chapter 20.08 SMC, and the holder of any Bond shall have the right to present such Bond for  
21 payment in accordance with the provisions of applicable law.

22           (b)    **Flow of Funds.** Upon collection, all payments collected in respect of the LID  
23 Assessments set forth on the final assessment roll of Local Improvement District No. 6751

1 (including all prepayments collected during the 30-day period for prepayment and all  
2 installment payments collected at any time, including both principal of such LID Assessments  
3 and interest and penalties thereon) shall be deposited immediately upon collection into the  
4 Waterfront LID Fund and applied as follows:

5 (i) LID Assessments collected during the 30-day period for prepayment, shall be  
6 transferred to and deposited in the Waterfront LID Fund (or such subfunds, accounts, or  
7 subaccounts therein as determined by the Director of Finance) to be used to pay or reimburse  
8 the costs of the LID Improvements (including repaying the Interfund Loans and reimbursing  
9 the CWIF (Fund 35900) for additional amounts used to pay costs of the LID Improvement).

10 (ii) LID Assessments collected at any time after the end of the 30-day period for  
11 prepayment shall, when received, be deposited in the LID Bond Redemption Account, and  
12 until the Bonds are redeemed or otherwise provided for, those collections shall be used to pay  
13 interest on and redeem Bonds in accordance with Section 7 of this ordinance and as otherwise  
14 provided by law.

15 (c) **Fixing Installment Payment Terms and Interest Rate on LID Assessments.**

16 In accordance with RCW 35.49.020, LID Assessments remaining unpaid at the expiration of  
17 the 30-day prepayment period shall be payable in ten equal annual principal installments  
18 payable beginning on the 11th anniversary of the date on which the 30-day prepayment period  
19 expires through and including the 20th anniversary of the date on which the 30-day  
20 prepayment period expires. Interest on such LID Assessments shall accrue at a rate equal to the  
21 highest interest rate fixed for the Bonds of any Estimated Redemption Group, plus 0.350  
22 percent. Interest shall be payable annually, beginning on the 1st anniversary of the date on  
23 which the 30-day period for prepayment of LID Assessments expires, through and including

1 the 20th anniversary of the date on which the 30-day period for prepayment of LID  
2 Assessments expires.

3           Section 12.    **Local Improvement Guaranty Fund**. The amounts on deposit in the  
4 Local Improvement Guaranty Fund are additionally pledged to pay and secure payment of the  
5 Bonds and any other local improvement district bonds outstanding or to be issued by the City  
6 and for the purposes set forth in chapter 35.54 RCW, Chapter 20.08 SMC and other applicable  
7 law. The Owner of any Bond not paid at maturity shall have the right to present such Bond for  
8 payment out of the Local Improvement Guaranty Fund, in accordance with chapter 35.54 RCW  
9 and Chapter 20.08 SMC and shall have all of the rights and remedies of the holder of a local  
10 improvement district bond thereunder.

11           For so long as the Bonds remain outstanding, the City shall take such actions as may be  
12 necessary consistent with chapter 35.54 RCW, Chapter 20.08 SMC, and other applicable state  
13 law, to maintain a minimum balance in the Local Improvement Guaranty Fund. Such minimum  
14 balance shall be established in the Bond Documents at the level determined to be reasonably  
15 necessary by the Finance Director, which level shall be equal to the lesser of (a) the maximum  
16 annual estimated debt service on all bonds guaranteed by the Local Improvement Guaranty  
17 Fund, calculated using the Estimated Redemption Schedule for the Bonds and similar  
18 estimated redemption schedules for all other bonds secured by the Local Improvement  
19 Guaranty Fund, and (b) 8 percent of the outstanding principal amount of all bonds guaranteed  
20 by the Local Improvement Guaranty Fund. The City may establish such accounts, subaccounts,  
21 or other method of segregation for accounting purposes within the Local Improvement  
22 Guaranty Fund from time to time, if necessary or desirable for purposes of accounting for the  
23 investment of money therein and establishing compliance with the provisions of the Internal

1 Revenue Code applicable to any guaranteed bonds that are issued on a tax-exempt basis. To  
2 provide funds to maintain such balance, the City irrevocably pledges to levy and collect such  
3 taxes as may be necessary, within the limitations provided in RCW 35.54.060 and SMC  
4 20.08.020, as amended by Section 15 of this ordinance.

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

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

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

20 (c) **Continuing Disclosure Agreement.** To meet the requirements of paragraph  
21 (b)(5) of Rule 15c2-12, as applicable to a participating underwriter for publicly offered Bonds,  
22 the Director of Finance is authorized to execute a written Continuing Disclosure Agreement with  
23 respect to the Bonds, in substantially the form attached to this ordinance as Exhibit A.

1           Section 14.    **Deposit and Use of Bond Proceeds.** The principal proceeds received  
2 from the sale and delivery of the Bonds shall be paid into or allocated to the Waterfront LID  
3 Fund and applied to the following purposes:

4           (a)    **Reimbursement of Local Improvement Costs; Repayment of Interfund**  
5 **Loans.** Upon receipt, proceeds of the Bonds shall be applied to reimburse the City for amounts  
6 expended to pay Local Improvement Costs, including (i) repaying the Interfund Loans made to  
7 pay costs of the LID Improvements, both principal and interest; and (ii) reimbursing the CWIF  
8 (Fund 35900) for additional amounts expended to pay costs of the LID Improvements in excess  
9 of the portion of expenditures allocated to the CWIF Interfund Loan.

10          (b)    **Local Improvement Guaranty Fund Deposit.** Proceeds of the Bonds in an  
11 amount determined by the Director of Finance, consistent with Section 12 of this ordinance,  
12 shall be deposited to the Local Improvement Guaranty Fund and shall be used, together with  
13 other amounts then on deposit in that fund, to pay and secure payment of the Bonds and other  
14 outstanding local improvement district bonds of the City, and for the other purposes permitted  
15 under chapters 35.43 and 35.54 RCW and other state law, and under Chapter 20.08 SMC, as  
16 amended.

17          (c)    **Costs of Issuance.** Proceeds of the Bonds necessary to pay the costs of issuance  
18 and sale of the Bonds, as set forth in the Bond Documents, shall be used at the direction of the  
19 Director of Finance to pay such costs.

20          (d)    **LID Improvement Costs.** The remaining proceeds of the Bonds, after  
21 application to the purposes described in subsections (a) through (c) of this section, shall be  
22 deposited to such account, subaccount or other method of segregation for accounting purposes  
23 within the Waterfront LID Fund as is designated by the Director of Finance for the payment of



1 the costs of the LID Improvements. Until needed to pay such costs, the City may invest the  
2 proceeds of the Bonds temporarily in any legal investment, and the investment earnings shall  
3 be deposited in the Waterfront LID Fund and used to pay costs of the LID Improvements. Any  
4 proceeds of Bonds remaining after paying the costs of the LID Improvements, issuing and  
5 selling the Bonds, and for the purposes set forth in this ordinance, or after the City Council has  
6 determined that the expenditure of such Bond proceeds for those purposes is no longer  
7 necessary or appropriate, may be used to pay principal of and interest on the Bonds consistent  
8 with applicable law.

9 Section 15. **Amendments to SMC 20.08.020 (Annual tax levy).** Section 20.08.020 of  
10 the Seattle Municipal Code, last amended by Ordinance 102560, is amended as follows:

11 **20.08.020 Annual tax levy(=)**

12 In order to maintain the fund and to effectuate the purposes of this ~~((chapter))~~ Chapter  
13 20.08, there shall be levied each year by the City Council in its annual tax levy, a tax  
14 upon all of the property in the City subject to taxation sufficient to meet the financial  
15 requirements thereof~~((; provided that the))~~. The sums so levied in any year shall not be  
16 more than sufficient to pay the outstanding warrants on the fund and to establish  
17 ~~((therein))~~ and maintain a minimum balance ~~((which combined))~~ required in accordance  
18 with the ordinances authorizing the issuance of local improvement bonds. However, the  
19 levy in any one ((4)) year shall not exceed ~~((five (5) percent of the outstanding~~  
20 ~~obligations thereby guaranteed))~~ the maximum amount permitted by RCW 35.54.060, as  
21 amended. The tax levies authorized and directed shall be additional to, and, if need be, in  
22 excess of, any and all statutory and Charter limitations applicable to the tax levies of the  
23 City. There shall be paid into the fund the interest received from bank deposits of the

1 fund, as well as any surplus remaining in any local improvement fund guaranteed under  
2 this (~~chapter~~) Chapter 20.08, lawfully applicable thereto, and payments of principal and  
3 interest applicable for assessments, or installments thereof, the collection of which has  
4 been deferred pursuant to (~~Chapter 137, Laws of 1972, First Extraordinary Session as~~  
5 ~~now existing or hereafter amended~~) RCW 35.43.250, as amended.

6       Section 16.    **General Authorization**. In addition to the specific authorizations in this  
7 ordinance, the Mayor and the Director of Finance and each of the other appropriate officers of  
8 the City are each authorized and directed to do everything as in his or her judgment may be  
9 necessary, appropriate, or desirable in order to carry out the terms and provisions of, and  
10 complete the transactions contemplated by, this ordinance. The City Council finds there is no  
11 viable alternative to meet a core City objective and that consideration by the Debt Management  
12 Policy Advisory Committee is not required for these LID Bonds, because Bonds for the  
13 Waterfront LID were previously authorized under Ordinance 125760.

14       In particular, and without limiting the foregoing:

15       (a)     The Director of Finance, in his or her discretion and without further action by the  
16 City Council, (i) may issue requests for proposals to provide underwriting services or financing  
17 facilities (including, without limitation, credit support or liquidity facilities), and may execute  
18 engagement letters and other agreements with underwriters and other financial institutions  
19 (including providers of liquidity or credit support) based on responses to such requests; and (ii)  
20 may select and make decisions regarding the Registrar, fiscal or paying agents, and any  
21 Securities Depository for the Bonds; and

22       (b)     Each of the Mayor and the Director of Finance are each separately authorized to  
23 execute and deliver (i) any and all contracts or other documents as are consistent with this

1 ordinance and for which the City’s approval is necessary or to which the City is a party  
2 (including but not limited to agreements with escrow agents, refunding trustees, liquidity or  
3 credit support providers, remarketing agents, underwriters, lenders or other financial institutions,  
4 fiscal or paying agents, custodians, and the Registrar); and (ii) such other contracts or documents  
5 incidental to the issuance and sale of any the Bonds; the establishment of the interest rate or rates  
6 on the Bonds; or the purchase or redemption of a Bond, as may in his or her judgment be  
7 necessary or appropriate.

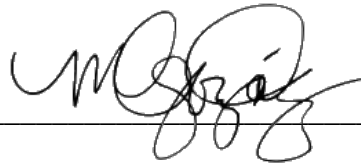
8       Section 17.    **Severability**. The provisions of this ordinance are declared to be  
9 separate and severable. If a court of competent jurisdiction, all appeals having been exhausted  
10 or all appeal periods having run, finds any provision of this ordinance to be invalid or  
11 unenforceable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

17       Section 18.    **Ratification of Prior Acts**. Any action taken consistent with the  
18 authority but prior to the effective date of this ordinance, including, if applicable, but not  
19 limited to issuing requests for proposals for financing or underwriting services, executing  
20 engagement letters for financing or underwriting services based on responses to such requests,  
21 giving notices of the sale of the Bonds, executing contracts or other documents, making fund  
22 transfers, and paying or redeeming checks or warrants, is ratified, approved, and confirmed.

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

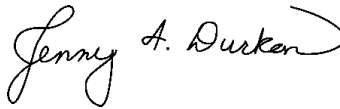
1 Section 20. **Effective Date.** This ordinance shall take effect and be in force 30 days  
2 after its approval by the Mayor, but if not approved and returned by the Mayor within ten days  
3 after presentation, it shall take effect as provided by Seattle Municipal Code Section 1.04.020.

4 Passed by the City Council the 14th day of June, 2021,  
5 and signed by me in open session in authentication of its passage this 14th day of  
6 June, 2021.

7 

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

9  Approved /  returned unsigned /  vetoed this 18th day of June, 2021.

10 

11 Jenny A. Durkan, Mayor

12 Filed by me this 18th day of June, 2021.

13 

14 Monica Martinez Simmons, City Clerk

15 (Seal)

16 Exhibits:  
17 Exhibit A – Form of Continuing Disclosure Agreement

**EXHIBIT A**

**FORM OF CONTINUING DISCLOSURE AGREEMENT**

The City of Seattle, Washington (the “City”) makes the following written undertaking (the “Undertaking”) for the benefit of the Owners of the City’s Local Improvement District No. 6751 Bonds (the “Bonds”), for the sole purpose of assisting the underwriter in meeting the requirements of paragraph (b)(5) of Rule 15c2-12 (the “Rule”), as applicable to a participating underwriter for the Bonds. Capitalized terms used but not defined below shall have the meanings given in Ordinance \_\_\_\_\_ (the “Bond Ordinance”).

(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 their failure to perform; (6) adverse tax opinions, the issuance by the Internal Revenue Service of

1 proposed or final determinations of taxability, Notice of Proposed Issue (IRS Form 5701 – TEB)  
2 or other material notices or determinations with respect to the tax status of the Bonds, or other  
3 material events affecting the tax status of the Bonds; (7) modifications to rights of holders of the  
4 Bonds, if material; (8) Bond calls (other than scheduled mandatory redemptions of Term Bonds),  
5 if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property  
6 securing repayment of the Bonds, if material; (11) rating changes; (12) bankruptcy, insolvency,  
7 receivership or similar event of the City, as such “Bankruptcy Events” are defined in the Rule;  
8 (13) the consummation of a merger, consolidation, or acquisition involving the City or the sale of  
9 all or substantially all of the assets of the City other than in the ordinary course of business, the  
10 entry into a definitive agreement to undertake such an action or the termination of a definitive  
11 agreement relating to any such actions, other than pursuant to its terms, if material; (14)  
12 appointment of a successor or additional trustee or the change of name of a trustee, if material;  
13 (15) incurrence of a financial obligation of the City, if material, or agreement to covenants, events  
14 of default, remedies, priority rights, or other similar terms of a financial obligation of the City, any  
15 of which affect holders of the Bonds, if material; and (16) any default, event of acceleration,  
16 termination event, modification of terms, or other similar event under the terms of a financial  
17 obligation of the City, any of which reflect financial difficulties.

18           For purposes of this Undertaking, the term “financial obligation” shall mean a debt  
19 obligation; derivative instrument entered into in connection with, or pledged as security or a source  
20 of payment for, an existing or planned debt obligation; or a guarantee of either a debt obligation  
21 or a derivative instrument entered into in connection with, or pledged as security or a source of  
22 payment for, an existing or planned debt obligation. The term “financial obligation” does not

1 include municipal securities as to which a final official statement has been provided to the MSRB  
2 consistent with the Rule.

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

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

7 (i) Shall consist of:

8 (A) annual financial statements of the City, prepared in accordance with  
9 generally accepted accounting principles applicable to governmental units (except as otherwise  
10 noted therein), as such principles may be changed from time to time and as permitted by State law,  
11 which financial statements will not be audited, except that if and when audited financial statements  
12 are otherwise prepared and available to the City they will be provided;

13 (B) the outstanding balance of obligations secured by the Local  
14 Improvement Guaranty Fund of the City at fiscal year-end;

15 (C) the balance of cash and investments in the Local Improvement  
16 Guaranty Fund at fiscal year-end;

17 (D) for that fiscal year, the amount of Waterfront LID Assessment  
18 installments billed and the amount collected (including principal payments and prepayments,  
19 interest, and penalties); and

20 (E) the total amount of unpaid assessments in the Waterfront LID and  
21 total amount of assessments delinquent in the Waterfront LID at fiscal year-end;

22 (ii) Shall be provided not later than the last day of the ninth month after the end  
23 of each fiscal year of the City (currently, a fiscal year ending December 31), as such fiscal year



1 may be changed as required or permitted by state law, commencing with the City’s fiscal year  
2 ending December 31, 2021; and

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

6 (c) Amendment of Undertaking. This Undertaking is subject to amendment after the  
7 primary offering of the Bonds without the consent of any Owner or holder of any Bond, or of any  
8 broker, dealer, municipal securities dealer, participating underwriter, rating agency or the MSRB,  
9 under the circumstances and in the manner permitted by the Rule, including:

10 (i) The amendment may only be made in connection with a change in  
11 circumstances that arises from a change in legal requirements, change in law, or change in the  
12 identity, nature, or status of the City, or type of business conducted by the City;

13 (ii) The Undertaking, as amended, would have complied with the requirements  
14 of the Rule at the time of the primary offering, after taking into account any amendments or  
15 interpretations of the Rule, as well as any change in circumstances; and

16 (iii) The amendment does not materially impair the interests of holders, as  
17 determined either by parties unaffiliated with the City (e.g., bond counsel or other counsel familiar  
18 with federal securities laws), or by an approving vote of bondholders pursuant to the terms of the  
19 Bond Ordinance at the time of the amendment.

20 The City will give notice to the MSRB of the substance (or provide a copy) of any  
21 amendment to this Undertaking and a brief statement of the reasons for the amendment. If the  
22 amendment changes the type of annual financial information to be provided, the annual financial

1 information containing the amended financial information will include a narrative explanation of  
2 the effect of that change on the type of information to be provided.

3 (d) Beneficiaries. This Undertaking shall inure to the benefit of the City and any  
4 Owner of Bonds, and shall not inure to the benefit of or create any rights in any other person.

5 (e) Termination of Undertaking. The City’s obligations under this Undertaking shall  
6 terminate upon the legal defeasance, prior redemption, or payment in full of all of the Bonds. In  
7 addition, the City’s obligations under this Undertaking shall terminate if those provisions of the  
8 Rule that require the City to comply with this Undertaking become legally inapplicable in respect  
9 of the Bonds for any reason, as confirmed by an opinion of nationally recognized bond counsel or  
10 other counsel familiar with federal securities laws delivered to the City, and the City provides  
11 timely notice of such termination to the MSRB.

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

19 (g) Designation of Official Responsible to Administer Undertaking. The Director of  
20 Finance of the City (or such other officer of the City who may in the future perform the duties of  
21 that office) or his or her designee is the person designated, in accordance with the Bond Ordinance,  
22 to carry out this Undertaking of the City in respect of the Bonds set forth in this section and in  
23 accordance with the Rule, including, without limitation, the following actions:

1                   (i)     Preparing and filing the annual financial information undertaken to be  
2 provided;

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

6                   (iii)   Determining whether any person other than the City is an “obligated  
7 person” within the meaning of the Rule with respect to the Bonds, and obtaining from such person  
8 an undertaking to provide any annual financial information and notice of listed events for that  
9 person in accordance with the Rule;

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

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