

into the Development Agreement with Pike Place Market Preservation and Development Authority, which provides for, among other things, the City to make a grant of \$34,000,000 for the development of certain portions of the projects known as Market Front/PC1-North (including public parking and public plaza space), and the City previously funded the first portion of this grant contribution, in the amount of \$28 million, through the issuance of the City's Limited Tax General Obligation Improvement Bonds, 2015B (Taxable) and has determined to fund the second portion of this grant contribution, in the amount of \$6 million, through the issuance of taxable limited tax general obligation bonds; and

WHEREAS, by the Omnibus Refunding Ordinance (defined herein), the City authorized the issuance of general obligation bonds for the purpose, among other things, of paying all or part of the costs of refunding the City's outstanding general obligation bonds; and

WHEREAS, to accomplish the refunding of the Refunded Bonds (defined herein), it is necessary and advisable that certain Acquired Obligations (defined herein) bearing interest and maturing at such time or times as necessary to accomplish the Refunding Plan (defined herein) be purchased out of a portion of the proceeds of the Bonds (defined herein) and other money of the City, if necessary; and

WHEREAS, the New Money Ordinance (defined herein) authorizes the Director of Finance to conduct the sale of the Bonds and to recommend to the City Council for its approval by resolution the interest rates and certain Bond Sale Terms, within certain parameters set in the Bond Ordinances; and

WHEREAS, pursuant to the Bond Ordinances, a preliminary official statement dated April 26, 2016, for the public sale of the Bonds, including an official notice of that sale, was prepared and distributed, bids were received in accordance with the notice of bond sale (as amended in accordance with its terms by a notice provided on May 2, 2016), and the proposed sale of the 2016A Bonds to Bank of America Merrill Lynch and the proposed sale of the 2016B Bonds to Raymond James & Associates, Inc. has been recommended to the City Council for its approval with the interest rates and other Bond Sale Terms; NOW, THEREFORE,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SEATTLE, THAT:

Section 1. Definitions. The meanings of capitalized terms used and not otherwise defined in this resolution shall be as set forth in the Bond Ordinances. In addition, the following terms as used in this resolution shall have the following meanings:

“2006 Refunded Bonds” means those Limited Tax General Obligation Improvement and Refunding Bonds, 2006, identified in Exhibit A, which is attached and incorporated by this reference.

“2009 Refunded Bonds” means those Limited Tax General Obligation Improvement and Refunding Bonds, 2009, identified in Exhibit A, which is attached and incorporated by this reference.

“2016A Bonds” means the \$103,660,000 principal amount Limited Tax General Obligation Improvement and Refunding Bonds, 2016A, issued pursuant to and for the purposes provided in the Bond Ordinances and this resolution.

“2016A Purchaser” means Bank of America Merrill Lynch, of New York, New York.

“**2016B Bonds**” means the \$6,070,000 principal amount Limited Tax General Obligation Improvement Bonds, 2016B (Taxable), issued pursuant to and for the purposes provided in the New Money Ordinance and this resolution.

“**2016B Purchaser**” means Raymond James & Associates, Inc., of Memphis, Tennessee.

“**Acquired Obligations**” means those Government Obligations purchased to accomplish the refunding of the Refunded Bonds in accordance with the Refunding Trust Agreement.

“**Bond Legislation**” means, collectively, the Bond Ordinances and this resolution.

“**Bond Ordinances**” means, together, the New Money Ordinance and the Omnibus Refunding Ordinance.

“**Bonds**” means, together, the 2016A Bonds and the 2016B Bonds.

“**New Money Ordinance**” means Ordinance 124924 passed by the City Council on November 23, 2015.

“**New Money Portion**” means that portion of the 2016A Bonds identified in the allocation to be attached to the Tax Exemption and Nonarbitrage Certificate to be executed by the Director of Finance as of the Issue Date.

“**Omnibus Refunding Ordinance**” means Ordinance 121651, passed by the City Council on November 22, 2004, as amended by Ordinance 122286, passed by the City Council on November 22, 2006, and amended and restated by Ordinance 124343, passed by the City Council on November 25, 2013.

“**Projects**” means all or a portion of the Projects identified in the New Money Ordinance, as it may be amended from time to time.

“**Refunding Trustee**” means the financial institution selected by the Director of Finance to serve as refunding trustee or escrow agent under the Refunding Trust Agreement, or its successors.

“**Refunded Bond Legislation**” means, collectively, the ordinances and resolutions identified in Exhibit A, which is attached and incorporated by this reference.

“**Refunded Bonds**” means, collectively, those 2006 Refunded Bonds and 2009 Refunded Bonds identified in Exhibit A, which is attached and incorporated by this reference.

“**Refunding Portion**” means that portion of the 2016A Bonds identified in the allocation attached to the Tax Exemption and Nonarbitrage Certificate to be executed by the Director of Finance as of the Issue Date.

“Refunding Plan” means the refunding plan for the Refunded Bonds, as set forth in Section 7(e).

“Refunding Trust Agreement” means the agreement among the City, a Refunding Trustee and such other parties as may be necessary, providing for the carrying out of the applicable refunding plans, in a form acceptable to the Director of Finance.

“Refunding Trustee” means U.S. Bank National Association, serving as refunding trustee charged with carrying out the Refunding Plan in accordance with the Refunding Trust Agreement, and any successor refunding trustee to the duties under that Refunding Trust Agreement.

Section 2. Sale and Delivery of 2016A Bonds. The City finds that the sale of the 2016A Bonds to the 2016A Purchaser at the interest rates and pursuant to the Bond Sale Terms set forth in the Bond Ordinances, this resolution, the Notice of Bond Sale attached as Exhibit B, and the bid information attached as Exhibit C (which includes a summary of the true interest cost associated with each bid and a printed version of all the electronic bids for the 2016A Bonds, including the electronic bid of the 2016A Purchaser), is in the City’s best interest and therefore confirms, ratifies and approves the award of the 2016A Bonds to the 2016A Purchaser.

Section 3. Sale and Delivery of 2016B Bonds. The City finds that the sale of the 2016B Bonds to the 2016B Purchaser at the interest rates and pursuant to the Bond Sale Terms set forth in the New Money Ordinance, this resolution, the Notice of Bond Sale attached as Exhibit B, and the bid information attached as Exhibit D (which includes a summary of the true interest cost associated with each bid and a printed version of all the electronic bids for the 2016B Bonds, including the electronic bid of the 2016B Purchaser), is in the City’s best interest and therefore confirms, ratifies and approves the award of the 2016B Bonds to the 2016B Purchaser.

Section 4. Approval of 2016A Bond Sale Terms. In accordance with Section 4 of the Bond Ordinances, the following Bond Sale Terms for the 2016A Bonds are approved:

(a) Principal Amount. The 2016A Bonds shall be issued in the aggregate principal amount of \$103,660,000. The allocation of the principal portions of the 2016A Bonds to particular purposes shall be as set forth in the Tax Exemption and Nonarbitrage Certificate to be executed by the Director of Finance as of the Issue Date.

(b) Date or Dates. Each 2016A Bond shall be dated its Issue Date, which date shall be any date selected by the Director of Finance that is not later than December 31, 2018.

(c) Denominations. The 2016A Bonds shall be issued in Authorized Denominations, as set forth in the Bond Ordinances.

(d) Interest Rates; Payment Dates. Each 2016A Bond shall bear interest at fixed rates per annum, as shown below, computed on the basis of a 360-day year of twelve 30-day months, from its Issue Date or from the most recent date for which interest has been paid or duly provided for, whichever is later. Interest shall be payable on the first day of each April and October, commencing October 1, 2016. Principal shall be payable at maturity (and on mandatory redemption dates in the amounts set forth in subsection (f)) in principal amounts on April 1, 2017 and on each April 1, thereafter as follows:

Maturity Date	Principal Amounts	Interest Rates	Maturity Date	Principal Amounts	Interest Rates
2017	\$5,825,000	5.00%	2027	\$4,065,000	4.00%
2018	6,120,000	5.00	2028	4,230,000	4.00
2019	6,435,000	5.00	2029	4,280,000	4.00
2020	9,770,000	5.00	2030	3,035,000	4.00
2021	10,290,000	5.00	2031	3,165,000	4.00
2022	8,300,000	5.00	2032	3,285,000	4.00
2023	6,605,000	5.00	2033	3,420,000	4.00
2024	6,570,000	5.00	2034	3,565,000	4.00
2025	3,915,000	5.00	2035	3,275,000	4.00
2026	4,105,000	5.00	2036	3,405,000	4.00

(e) Final Maturity. The final maturity of the 2016A Bonds is April 1, 2036.

(f) Redemption Rights.

(i) Optional Redemption. The 2016A Bonds maturing on and before April 1, 2026 shall not be subject to redemption at the option of the City prior to their stated maturity dates. The 2016A Bonds maturing on and after April 1, 2027, are subject to redemption at the option of the City, in whole or in part on any date on or after April 1, 2026, at a price equal to the principal amount to be redeemed plus accrued interest, if any, to the date fixed for redemption.

(g) Price. The purchase price for the 2016A Bonds is \$120,882,547.07, representing the aggregate principal amount of the 2016A Bonds, plus original issue premium and less underwriter’s discount.

(h) Other Terms and Conditions. The following terms and conditions, along with those additional Bond Sale Terms set forth in the Notice of Sale, are ratified, confirmed and approved in all respects:

(i) The City Council finds that the issuance of the 2016A Bonds will not cause the indebtedness of

the City to exceed the City’s legal debt capacity on the Issue Date. The expected life of the capital facilities to be financed or refinanced with the proceeds of each portion of the 2016A Bonds (as described in the allocation set forth in the Tax Exemption and Nonarbitrage Certificate to be executed by the Director of Finance as of the Issue Date) will not exceed the maturity of that portion.

(ii) The Bond Sale Terms do not provide for any bond insurance or other credit enhancement, or for interest rate swaps, caps, floors or other similar hedging devices, at the expense or direction of the City.

(iii) Terms and covenants relating to federal tax matters are as set forth in Section 8.

Section 5. Approval of 2016B Bond Sale Terms. In accordance with Section 4 of the New Money Ordinance, the following Bond Sale Terms for the 2016B Bonds are approved:

(a) Principal Amount. The 2016B Bonds shall be issued in the aggregate principal amount of \$6,070,000.

(b) Date or Dates. Each 2016B Bond shall be dated its Issue Date, which date shall be any date selected by the Director of Finance that is not later than December 31, 2018.

(c) Denominations. The 2016B Bonds shall be issued in Authorized Denominations, as set forth in the New Money Ordinance.

(d) Interest Rates; Payment Dates. Each 2016B Bond shall bear interest at fixed rates per annum, as shown below, computed on the basis of a 360-day year of twelve 30-day months, from its Issue Date or from the most recent date for which interest has been paid or duly provided for, whichever is later. Interest shall be payable on the first day of each April and October, commencing October 1, 2016. Principal shall be payable at maturity (and on mandatory redemption dates in the amounts set forth in subsection (f)) on April 1 in the years and in principal amounts as follows:

Maturity Date	Principal Amounts	Interest Rates	Maturity Date	Principal Amounts	Interest Rates
2017	\$245,000	1.000%	2025	\$ 285,000	2.250%
2018	250,000	1.500	2026	290,000	2.375
2019	250,000	2.000	2027	300,000	2.500
2020	255,000	2.000	2028	305,000	2.625
2021	265,000	2.000	***	***	***
2022	270,000	2.000	2032	1,320,000	2.875
2023	275,000	2.000	***	***	***
2024	280,000	2.000	2036	1,480,000	3.000

(e) **Final Maturity.** The final maturity of the 2016B Bonds is April 1, 2036.

(f) **Redemption Rights.**

(i) The 2016B Bonds maturing on April 1 in the years 2017 through 2026 shall not be subject to redemption at the option of the City prior to their stated maturity dates. The 2016B Bonds maturing on and after April 1, 2027, are subject to redemption at the option of the City, in whole or in part on any date on or after April 1, 2026, at a price equal to the principal amount to be redeemed plus accrued interest, if any, to the date fixed for redemption.

(ii) Mandatory Redemption. 2016A Bonds maturing in the year 2032 are designated as 2016B Term Bonds and, if not redeemed under the optional redemption provisions set forth above or purchased in the open market under the provisions set forth in the New Money Ordinance, shall be called for redemption in accordance with the New Money Ordinance at par plus accrued interest on April 1 in years and amounts as follows:

	<u>2016B Term Bonds Stated to Mature in 2032</u>
Mandatory Redemption Years	Mandatory Redemption Amounts
2029	\$315,000
2030	325,000
2031	335,000
2032*	345,000

2016A Bonds maturing in the year 2036 are designated as 2016B Term Bonds and, if not redeemed under the optional redemption provisions set forth above or purchased in the open market under the provisions set forth in the New Money Ordinance, shall be called for redemption in accordance with the New Money Ordinance at par plus accrued interest on April 1 in years and amounts as follows:

	<u>2016B Term Bonds Stated to Mature in 2036</u>
Mandatory Redemption Years	Mandatory Redemption Amounts
2033	\$355,000
2034	365,000
2035	375,000
2036*	385,000

If a 2016B Term Bond is redeemed under the optional redemption provisions or defeased or purchased by the

City and surrendered for cancellation, the principal amount of that 2016B Term Bond so redeemed, purchased, or defeased (irrespective of its actual redemption or purchase price) shall be credited against one or more scheduled mandatory redemption installments for that 2016B Term Bond in accordance with the New Money Ordinance.

(g) Price. The purchase price for the 2016B Bonds is \$6,014,032.21, representing the aggregate principal amount of the 2016B Bonds, less net original issue discount and less underwriter's discount.

(h) Other Terms and Conditions. The following terms and conditions, along with those additional Bond Sale Terms set forth in the Notice of Sale, are ratified, confirmed and approved in all respects:

(i) The City Council finds that the issuance of the 2016B Bonds will not cause the indebtedness of the City to exceed the City's legal debt capacity on the Issue Date. The expected life of the capital facilities to be financed with the proceeds of the 2016B Bonds will not exceed the maturity of that portion.

(ii) The Bond Sale terms do not provide for any bond insurance or other credit enhancement, or for interest rate swaps, caps, floors or other similar hedging devices, at the expense or direction of the City.

(iii) It is the intent of the City that interest on the 2016B Bonds not be excludable from gross income for federal income tax purposes.

Section 6. Use of Bond Proceeds.

(a) 2016A Bonds. The principal proceeds of the 2016A Bonds received by the City shall be allocated as set forth in the Tax Exemption and Nonarbitrage Certificate to be executed by the Director of Finance as of the Issue Date and shall be deposited immediately upon receipt, as set forth below. The amounts necessary to pay the costs of issuance of the 2016A Bonds shall be allocated among the various purposes in accordance with the schedule set forth in the Tax Exemption and Nonarbitrage Certificate to be executed by the Director of Finance as of the Issue Date.

(1) New Money Portion. The principal proceeds of the sale of the New Money Portion shall be deposited in the funds, accounts or subaccounts as determined by the Director of Finance as necessary to pay costs of the various Projects, the costs of issuing the New Money Portion of the Bonds, and for such other purposes as may be approved by ordinance.

(2) Refunding Portion. The proceeds of the sale of the Refunding Portion shall be deposited immediately upon the receipt thereof with the Refunding Trustee and used to carry out the Refunding Plan, including discharging the obligations of the City relating to the Refunded Bonds under the Refunded Bond Legislation. The Refunding Plan shall be as set forth in the Refunding Trust Agreement and Section 7(e). The Director of Finance shall determine, in his sole discretion, whether the portion of

the sale proceeds of the Refunding Portion necessary for payment of costs of issuance and administrative costs of the refunding shall be (i) deposited into a City fund, account or subaccount to be paid directly by the City, or (ii) deposited with the Refunding Trustee, who shall be directed to pay such costs as part of the Refunding Plan.

(b) 2016B Bonds. The principal proceeds of the 2016B Bonds shall be allocated to the making of a grant to the Pike Place Market Preservation and Development Authority, as further described in the Development Agreement and Ordinance 124737 and to payment of the costs of issuance of the 2016B Bonds.

Section 7. Provisions for Refunding.

(a) Findings With Respect to Refunding. The City Council finds that the issuance of the Refunding Portion at this time will effect a savings to the City and is in the best interest of the City and its taxpayers and in the public interest. In making such finding, the City Council has given consideration to the fixed maturities of the Refunding Portion and the Refunded Bonds, the costs of issuance of the Refunding Portion and the known earned income from the investment of the amounts deposited with the Refunding Trustee pending payment and redemption of the Refunded Bonds. The City Council further finds that the money to be deposited with the Refunding Trustee will discharge and satisfy the obligations, pledges, charges, trusts, covenants, and agreements of the City under the Refunded Bond Legislation, and that the Refunded Bonds shall no longer be deemed to be outstanding under the Refunded Bond Legislation immediately upon the deposit of such money with the Refunding Trustee.

(b) Call for Redemption of 2006 Refunded Bonds. The City authorizes the Director of Finance to call for redemption on June 24, 2016, all of the 2006 Refunded Bonds at a price of 100% of the principal amount to be redeemed, plus accrued interest to the date set for redemption. Such call for redemption shall be irrevocable after the Issue Date. The date on which the 2006 Refunded Bonds are called for redemption is the first date on which the 2006 Refunded Bonds may be called. The City authorizes and directs the Director of Finance to give or cause to be given such notices as required, at the times and in the manner required, pursuant to the 2006 Refunded Bond Legislation in order to effect the redemption prior to the maturity of the Refunded Bonds.

(c) Call for Redemption of 2009 Refunded Bonds. The City authorizes the Director of Finance to call for redemption on May 1, 2019, all of the 2009 Refunded Bonds at a price of 100% of the principal amount to be redeemed, plus accrued interest to the date set for redemption. Such call for redemption shall be irrevocable after the Issue Date. The date on which the 2009 Refunded Bonds are called for redemption is the first date on which the 2009 Refunded Bonds may be called. The City authorizes and directs the Director of Finance to give or cause to be given such notices as required, at the times and in the manner required, pursuant to the 2009 Refunded Bond Legislation in order to effect the redemption prior to the maturity of the Refunded Bonds.

(d) Refunding Trust Agreement. The Director of Finance is authorized and directed to appoint the Refunding Trustee

and to execute a Refunding Trust Agreement, in form and substance acceptable to him, consistent with Section 16(d) of the Omnibus Refunding Ordinance.

(e) Refunding Plan. The following Refunding Plan is approved substantially as follows, with such alterations as the Director of Finance deems necessary or appropriate:

(i) On the Issue Date, proceeds of the Refunding Portion shall be deposited with the Refunding Trustee in an amount sufficient to purchase the Acquired Obligations, establish a beginning cash balance, and to pay such costs of issuance or administrative costs of carrying out the Refunding Plan as are included as part of the Refunding Plan.

(ii) The Refunding Trustee shall hold the maturing principal of and interest on the Acquired Obligations in a refunding trust account, and shall apply such money, together with other money held in that account, to the payment of the principal of and interest on the Refunded Bonds when due up to and including the respective dates set for redemption.

(iii) On the date set for redemption of the 2006 Refunded Bonds, the Refunding Trustee shall call, pay and redeem all of the 2006 Refunded Bonds at a price equal to the principal amount to be redeemed, plus accrued interest to that date.

(iv) On the date set for redemption of the 2009 Refunded Bonds, the Refunding Trustee shall call, pay and redeem all of the 2009 Refunded Bonds at a price equal to the principal amount to be redeemed, plus accrued interest to that date.

(v) The costs of carrying out the Refunding Plan and the costs of issuance of the Refunding Portion of the Bonds may be paid either by the City directly or from the amounts held by the Refunding Trustee, as directed by the Director of Finance in his discretion.

Section 8. Federal Tax Matters. The 2016A Bonds shall be issued as Tax-Exempt Bonds, in accordance with Section 12(a) of the New Money Ordinance and Section 13(a) of the Omnibus Refunding Ordinance. The 2016B Bonds shall be issued as Taxable Bonds, in accordance with Section 12(b) of the New Money Ordinance.

Section 9. General Authorization. The Mayor and the Director of Finance and each of the other appropriate officers of the City are each authorized and directed to do everything as in their judgment may be necessary, appropriate or desirable in order to carry out the terms and provisions of, and complete the transactions contemplated by, the Bond Ordinances and this resolution.

Section 10. Severability. The provisions of this resolution are declared to be separate and severable. If a court of competent jurisdiction, all appeals having been exhausted or all appeal periods having run, finds any provision of this resolution to be invalid or unenforceable as to any person or circumstance, such offending provision shall, if feasible, be deemed to be modified to be within the limits of enforceability or validity. However, if the offending provision cannot be so modified, it shall be null and void with respect to the particular person or circumstance, and all other provisions of this resolution in all other respects, and the offending

provision with respect to all other persons and all other circumstances, shall remain valid and enforceable.

Section 11. Ratification of Prior Acts. All acts taken pursuant to the authority of this resolution but prior to its effective date are ratified, approved and confirmed.

Section 12. Section Headings. Section headings in this resolution are used for convenience only and shall not constitute a substantive portion of this resolution.

ADOPTED by the City Council the 3rd day of May, 2016, and signed by me in open session in authentication of its adoption this 3rd day of May, 2016.

President of the City Council

Filed this ____ day of May, 2016.

(SEAL)

City Clerk

LIST OF EXHIBITS

Exhibit A	Identification of Refunded Bonds
Exhibit B	Notice of Bond Sale
Exhibit C	Printed Version of All Electronic Bids for the 2016A Bonds
Exhibit D	Printed Version of All Electronic Bids for the 2016B Bonds