



Legislation Text

File #: CB 120006, Version: 2

CITY OF SEATTLE

ORDINANCE _____

COUNCIL BILL _____

AN ORDINANCE relating to contracting indebtedness; amending Ordinance 126219; and ratifying and confirming certain prior acts.

WHEREAS, The City of Seattle, Washington (the “City”) has determined that it is in its best interest to authorize the financing of certain improvements at the Seattle Center as part of the previously authorized general obligation bond issuance for 2021; and

WHEREAS, it is therefore necessary to amend the description of capital projects identified in Exhibit A that was attached to Ordinance 126219 and to adjust the maximum principal amount of bonds authorized to be issued to accommodate this additional project; NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. **Amendments to Section 4 of Ordinance 126219.** Section 4 of Ordinance 126219 is amended as follows:

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

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

(b) **Parameters for Bond Sale Terms.** The Director of Finance is authorized to approve on behalf of the City Bond Sale Terms for the sale of the Bonds in one or more Series and, in connection with each such sale, to execute a Bond Purchase Contract (or, in the case of a competitive

sale, a Pricing Certificate) confirming the Bond Sale Terms and such related agreements as may be necessary or desirable, consistent with the following parameters:

(i) **Maximum Principal Amount.** The maximum aggregate principal amount of all Series of the Bonds authorized by this ordinance may not exceed (~~(\$212.7)~~)\$221 million.

(ii) **Date or Dates.** Each Bond shall be dated its Issue Date, as determined by the Director of Finance, which Issue Date may not be later than December 31, 2023.

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

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

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

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

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

(A) **Optional Redemption.** The Director of Finance may designate

any Bond as being subject to optional redemption prior to its maturity. Any Tax-Exempt Bond that is subject to optional redemption prior to maturity must be callable on at least one or more dates occurring not more than 10½ years after the Issue Date, consistent with Section 7(a).

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

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

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

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

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

(B) **Reasonably Expected Life.** As of the Issue Date of each Series, the Director of Finance must find to his or her satisfaction that the average expected life of the capital facilities to be financed with the proceeds (or allocable share of proceeds) of that Series exceeds the weighted average maturity of such Series (or share thereof allocated to financing those capital facilities).

(C) **Additional Terms, Conditions, and Agreements.** The Bond

Sale Terms for any Series may provide for bond insurance or for any other credit enhancement as the Director of Finance may find necessary or desirable. The Bond Sale Terms may include such additional terms, conditions, and covenants as may be necessary or desirable, including but not limited to: restrictions on investment of Bond proceeds and pledged funds (including any escrow established for the defeasance of any of the Bonds), provisions for the conversion of interest rate modes, provisions for the reimbursement of a credit enhancement provider, and requirements to give notice to or obtain the consent of a credit enhancement provider. The Director of Finance is authorized to execute, on behalf of the City, such additional certificates and agreements as may be necessary or desirable to reflect such terms, conditions, and covenants.

(D) **Tax Status of the Bonds.** The Director of Finance may designate any Series of the Bonds as Tax-Exempt Bonds, Taxable Bonds, or Tax Credit Subsidy Bonds, consistent with Section 13.

Section 2. **Amendment of Exhibit A to Ordinance 126219.** Ordinance 126219 authorized issuance of limited tax general obligation bonds of the City (the “2021 Bonds”), and provided that proceeds of the 2021 Bonds would be used to carry out the costs of projects specified in Exhibit A to Ordinance 126219, as well as other projects authorized by ordinance. Exhibit A to Ordinance 126219 is amended to read as set forth in Exhibit A, attached hereto and by this reference made a part hereof.

Section 3. **General Authorization.** In addition to the specific authorizations in this ordinance, 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, this ordinance.

Section 4. **Intent to Reimburse.** The Council declares that the expression of its intent to reimburse the interfund loans for the repair of the West Seattle Bridge authorized by Ordinance 126161, passed on September 11, 2020, was not intended to limit the City’s ability to utilize the lowest cost financing available for

that project. The Council hereby clarifies and expressly states that the full amount of the interfund loan authorized by Ordinance 126161 was intended to be reimbursed from proceeds of general obligation bonds to be issued pursuant to this ordinance, but that its intent was not to limit the ability to finance the project on either a taxable or tax-exempt basis. For the sake of clarity, the City Council acknowledges, ratifies and confirms the declarations of intent to reimburse expenditures for this project set forth in the June 25, 2020 and August 11, 2020 declarations of the Director of Finance and clarifies that the Council intends that the full amount of up to \$70 million authorized to be drawn on the interfund loans be eligible to be reimbursed by tax-exempt bond proceeds, to the extent permitted under applicable federal tax law and regulations, if deemed advisable by the Director of Finance.

Section 5. **Severability**. The provisions of this ordinance 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 ordinance 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 ordinance in all other respects, and the offending provision with respect to all other persons and all other circumstances, shall remain valid and enforceable.

Section 6. **Ratification of Prior Acts**. Any action taken after passage of this ordinance but prior to its effective date that is consistent with the authority of this ordinance, is ratified, approved and confirmed.

Section 7. **Section Headings**. Section headings in this ordinance are used for convenience only and shall not constitute a substantive portion of this ordinance.

Section 8. **Effective Date**. This ordinance shall take effect and be in force 30 days after its

approval by the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it shall take effect as provided by Seattle Municipal Code Section 1.04.020.

Passed by the City Council the _____ day of _____, 2021, and signed by me in open session in authentication of its passage this ____ day of _____, 2021.

President _____ of the City Council

Approved / returned unsigned / vetoed this _____ day of _____, 2021.

Jenny A. Durkan, Mayor

Filed by me this _____ day of _____, 2021.

Monica Martinez Simmons, City Clerk

(Seal)

Exhibits
Exhibit A - Amended Exhibit A to Ordinance 126219