

CITY OF BELLEVUE, WASHINGTON

ORDINANCE NO. 3554

AN ORDINANCE of the City of Bellevue, Washington, relating to Local Improvement District No. 261; amending Ordinance No. 3247, as amended by Ordinance No. 3364; authorizing the issuance and sale of local improvement district bond anticipation notes in Local Improvement District No. 261 pending the receipt of the proceeds of the local improvement district bonds authorized to be issued by Ordinance No. 3247, as amended; and providing for the sale of such bond anticipation notes to Peoples National Bank of Washington, Seattle, Washington.

WHEREAS, by Ordinance No. 3247 passed by the City Council on April 4, 1983, as amended by Ordinance No. 3364 passed by the City Council on April 16, 1984, the City ordered the improvement of Northup Way from 130th Avenue N.E. to 140th Avenue N.E., all pursuant to Resolution No. 4152, and, after a public hearing thereon, established Local Improvement District No. 261, provided that payment for the improvement be made by special assessments upon the property in the local improvement district payable by the mode of "payment by bonds" and provided for the issuance and sale of local improvement district warrants or other short-term obligations redeemable by cash and/or by local improvement district bonds; and

WHEREAS, the City, pursuant to Ordinance No. 3364, issued its \$1,641,575 par value Local Improvement District No. 261 Bond Anticipation Note dated April 25, 1984, and maturing October 25, 1985 (the "Outstanding Note"), for the purpose of providing the funds to pay a part of the cost of carrying out the improvement within Local Improvement District No. 261 pending the issuance of the bonds authorized by Ordinance No. 3247, as amended, which note, because of delays in constructing the improvement and closing the final assessment roll of the district, must be funded by the issuance of additional bond anticipation notes of the City; and

WHEREAS, the City Council deems it to be in the best interest of the City that the City borrow money and issue its short-term obligation or obligations in the form of one or more local improvement district bond anticipation notes for the purpose of providing the funds with which to pay, both principal and interest, and redeem the Outstanding Note; and

WHEREAS, Peoples National Bank of Washington, Seattle, Washington, has submitted an offer to purchase such short-term bond anticipation notes on the terms and conditions hereinafter set forth; NOW THEREFORE,

THE CITY COUNCIL OF THE CITY OF BELLEVUE, WASHINGTON, DOES ORDAIN as follows:

Section 1. Section 4 of Ordinance No. 3247, as amended by Ordinance No. 3364, is amended to read as follows:

Section 4. Estimated Costs. The total estimated costs and expenses of the improvement herein ordered are hereby declared to be \$3,480,301, of which approximately \$1,838,744 shall be allocated to and be borne by the properties within the local improvement district in accordance with the special benefits conferred. The work hereby ordered constitutes one continuous unit of improvement.

Section 2. The portion of the total estimated cost and expense of the improvement ordered to be carried out in Local Improvement District No. 261 (the "District") by Ordinance No. 3247, as amended, anticipated to be assessed against the specially benefitted properties in the District is \$1,838,744. A local improvement district bond anticipation note of the District (the "Note") therefore shall be issued in the principal amount of \$1,838,744. The Note shall be numbered 1; shall be dated October 25, 1985; shall mature on October 25, 1986; and shall bear interest at the rate of 7.25% per annum (calculated on the basis of a 360-day year of twelve 30-day months), payable at maturity, with full obligation on the part of the City to pay interest at the same rate from and after maturity until the Note with interest is paid in full or until sufficient money for such payment in full is on deposit in the Local Improvement Fund, District No. 261, created by Ordinance No. 3247, as amended, and the Note has been duly called for redemption by the City Treasury Manager's giving written notice to Peoples National Bank of Washington, Seattle, Washington, of such call at least ten days prior to the call date. Both principal of and interest on the Note shall be payable solely out of the Local Improvement Fund, District No. 261, from the proceeds of local improvement district bonds authorized to be issued by such ordinance or other short-term obligations to be deposited in such fund and/or prepaid special benefit assessments deposited in such fund, and from the Local Improvement Guaranty Fund of the City, and shall be payable in lawful money of the United States of America at the office of the City Treasury Manager in Bellevue, Washington. The City Council declares and finds that the fixing of the above interest rate is in the best interests of the City.

Section 3. The City may repay and redeem the Note on or after April 25, 1986, at par plus accrued interest by giving written notice of such redemption to Peoples National Bank of Washington, at its main office in Seattle, Washington, at least thirty days prior to the proposed call date. Interest on the Note shall cease on the date fixed for such redemption upon the deposit in the Local Improvement Fund, District No. 261, of sufficient money to redeem the Note, both principal and interest.

Section 4. The Note shall be typewritten in a form consistent with the terms of this ordinance, shall be signed by the Treasury Manager of the City and sealed with the seal of the City.

Section 5. The City covenants that it will not take or permit to be taken on its behalf any action which would adversely affect the exemption from federal income taxation of the interest on the Note and will take or require to be taken such acts as may reasonably be within its ability and as may from time to time be required under applicable law to continue the exemption from federal income taxation of the interest on the Note. Without limiting the generality of the foregoing, and except to the extent the investment of any Note proceeds is limited to a yield required to comply with federal arbitrage regulations, the City will spend the proceeds of the Note with due diligence to completion of the purpose specified herein and will not invest or make other use of the proceeds of the Note or of its other money at any time during the term of the Note which, if such use had been reasonably expected at the date that the Note was issued, would have caused such Note to be an arbitrage obligation within the meaning of Section 103(c) of the United States Internal Revenue Code of 1954, as amended, and applicable regulations thereunder.

The City further covenants that it has not been notified of any listing or proposed listing by the Internal Revenue Service to the effect that it is a bond issuer whose arbitrage certifications may not be relied upon.

Section 6. Peoples National Bank of Washington, Seattle, Washington, has submitted an offer to purchase the Note at a price of par, the City to furnish the typewritten Note and the approving legal opinion of Roberts & Shefelman, municipal bond counsel of Seattle, Washington, at the City's expense. Bond counsel shall not be required to review or express any opinion concerning the completeness or accuracy of any official statement, offering circular or other sales material issued or used in connection with the Note, and bond counsel's opinion shall so state. The City Council, deeming that it is in the best interest of the City that such offer be accepted, accepts the same. The Note, therefore, immediately upon its execution,

shall be delivered to Peoples National Bank of Washington, Seattle, Washington, upon payment therefor in accordance with such offer.

The principal proceeds received from the sale of the Note shall be paid into the Local Improvement Fund, District No. 261, and used immediately to pay, both principal and interest, and redeem the Outstanding Note.

Section 7. This ordinance shall take effect and be in force five days after its passage and legal publication.

PASSED by the City Council this 9th day of October, 1985, and signed in authentication of its passage this 14th day of October, 1985.



Cary E. Bozeman, Mayor

Approved as to Form:



Richard L. Andrews
City Attorney

ATTEST:



Marie K. O'Connell, City Clerk

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