

CITY OF BELLEVUE, WASHINGTON

ORDINANCE NO. 3591

AN ORDINANCE authorizing the issuance of tax anticipation notes for the purpose of paying the interest on the City's outstanding Unlimited Tax General Obligation Bonds, 1985 pending the receipt of authorized excess levy taxes; creating a note redemption fund; and providing for the sale of those notes to Rainier National Bank and Peoples National Bank of Washington, of Seattle, Washington.

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

Section 1. The City Council of the City of Bellevue, Washington (the "City"), finds that collections of the authorized excess levy in 1986 will not be sufficient to meet the debt service requirements of the City's outstanding Unlimited Tax General Obligation bonds, 1985 (the "1985 Bonds") as they become due and that it is in the best interest of the City to contract short-term debt pursuant to Chapters 39.50 and 39.46 RCW to pay those debt service requirements, such debt to be paid from excess levy taxes authorized to be levied by Ordinance No. 3448 and collected by the City prior to January 31, 1987.

Section 2. The assessed valuation of the taxable property of the City as ascertained by the last preceding assessment for City purposes for the year 1985 for tax collection in the year 1986 is \$4,881,591,686, and the City has \$25,927,577 of outstanding general indebtedness evidenced by limited tax general obligation bonds and installment purchase contracts incurred within the limit of up to 3/4 of 1% of the value of the taxable property within the City permitted for general municipal purposes without a vote of the qualified voters therein and unlimited tax general obligation bonds in the principal amount of \$21,730,000 within the limit of up to 2-1/2% of the value of the taxable property within the City for general capital purposes issued pursuant to a vote of the qualified voters of the City, and the amount of indebtedness for which the Notes are herein authorized to be issued is \$847,781.

Section 3. There is created in the office of the City Finance Director a special fund called the Tax Anticipation Note Fund (Fund 213), 1986 (the "Note Fund"). Pending the collection of excess levy property taxes to be levied for collection in 1986 authorized by the voters at an election held in the City on

November 6, 1984, the City shall issue and sell its \$847,781 tax anticipation notes to be designated Tax Anticipation Notes (Fund 213), 1986 (the "Notes"). The Notes shall be in fully registered form; shall be numbered separately and in the manner and with any additional designation as the Note Registrar (the fiscal agencies of the State of Washington in Seattle, Washington, and New York, New York) deems necessary for purpose of identification; shall be in the denomination of \$5,000 each or any integral multiple thereof, except that one Note shall be in the denomination of \$5,000 or any integral multiple thereof plus \$2,781; shall be dated as of their date of issuance; shall mature on January 31, 1987; and shall bear interest at the rate of 5.90% per annum, computed on the basis of a 360-day year of twelve 30-day months, payable on July 1, 1986, and at maturity, with full obligation on the part of the City to pay interest at the same rate from and after maturity until the Notes with interest are paid in full or sufficient money for such payment in full is on deposit in the Note Fund and the Notes have been called for redemption. The Notes are not subject to redemption prior to their maturity date, except that the Notes shall be subject to redemption at par plus accrued interest at any time under the circumstances set forth in Section 8 of this Ordinance. The City Council declares and finds that the fixing of the above interest rate is in the best interests of the City. The Notes shall be general obligations of the City.

The Notes shall be issued only in registered form as to both principal and interest on books or records maintained by the Note Registrar (the "Note Register"). Such Note Register shall contain the name and mailing address of the owner of each of the Notes and the principal amount and number of Notes held by each owner.

Both principal of and interest on the Notes shall be payable in lawful money of the United States of America. Interest on the Notes shall be paid by check or draft mailed to the registered owners of the Notes at the addresses for such owners appearing in the Note Register on the 15th day of the month preceding the interest payment date. Principal of the Notes shall be payable upon presentation and surrender of the Notes by the registered owners at either of the principal offices of the Note Registrar.

Section 4. The Notes shall be printed on lithographed or good bond paper in a form consistent with the provisions of this ordinance and state law, shall be signed by the Mayor and the City Clerk, both of whose signatures shall be in facsimile, and shall have a facsimile reproduction of the seal of the City printed thereon.

Only such Notes as shall bear thereon a Certificate of Authentication in the following form, manually executed by the Note Registrar, shall be valid or obligatory for any purpose or entitled to the benefits of this ordinance:

CERTIFICATE OF AUTHENTICATION

This note is one of the fully registered City of Bellevue, Washington, Tax Anticipation Notes (Fund 213), 1986, described in the within mentioned ordinance.

Washington State Fiscal Agency
Note Registrar

By _____
Authorized Officer

Such Certificate of Authentication shall be conclusive evidence that the Notes so authenticated have been duly executed, authenticated and delivered hereunder and are entitled to the benefits of this ordinance.

In case either or both of the officers who shall have executed the Notes shall cease to be such officer or officers of the City before the Notes so signed shall have been authenticated or delivered by the Note Registrar, or issued by the City, such Notes nevertheless may be authenticated, delivered and issued and upon such authentication, delivery and issue, shall be as binding upon the City as though those who signed the same had continued to be such officers of the City. Any Note also may be signed on behalf of the City by such persons as at the actual date of execution of such Note shall be proper officers of the City although at the original date of such Note any such person shall not have been such officer of the City.

Section 5. The Note Registrar shall keep, or cause to be kept, at its principal corporate trust office, sufficient books for the registration and transfer of the Notes, which shall at all times be open to inspection by the City. The Note Registrar is authorized, on behalf of the City, to authenticate and deliver Notes transferred or exchanged in accordance with the provisions of such Notes and this ordinance and to carry out all of the Note Registrar's powers and duties under this ordinance.

Notes may be transferred only if endorsed in the manner provided thereon and surrendered to the Note Registrar. The transfer of a Note shall be by the Note Registrar's receiving the Note to be transferred, cancelling it and issuing a new certificate in the form of the Notes to the transferee after registering the name and address of the transferee on the Note

Register. Notes are interchangeable for Notes in any authorized denomination of an equal aggregate principal amount. Such exchange or transfer shall be without cost to the owner or transferee. The Note Registrar shall not be required to exchange or transfer any Note during the fifteen days preceding the maturity date of the Notes.

The Note Registrar shall be responsible for its representations contained in the Registrar's Certificate of Authentication on the Notes. The Note Registrar may become the owner of the Notes with the same rights it would have if it were not the Note Registrar and, to the extent permitted by law, may act as depository for and permit any of its officers or directors to act as members of, or in any other capacity with respect to, any committee formed to protect the rights of Note owners.

Section 6. The Notes shall be negotiable instruments to the extent provided by RCW 62A.8-102 and 62A.8-105.

Section 7. The principal proceeds received from the sale of the Notes shall be deposited in the Interest and Debt Redemption Special Levy Fund No. 213 heretofore created and used solely for the purpose of paying the debt service requirements of the 1985 Bonds, and any interest received from the deposit or investment of such proceeds shall be applied and used solely for the purpose of paying the interest on the 1985 Bonds or for deposit in the Note Fund. The accrued interest, if any, received upon delivery of the Notes shall be deposited in the Note Fund. Any proceeds resulting from authorized temporary investments of the Note Fund or such investment proceeds of any of the taxes hereafter levied for payment of the Notes and placed in the Note Fund shall be used for the sole purpose of retiring the Notes or paying the interest thereon. The City irrevocably pledges to budget and levy taxes within the constitutional and statutory tax limitations provided by law without a vote of the electors of the City, upon all property in the City subject to taxation in an amount sufficient, together with other money legally available and to be used therefor, including the excess levy taxes authorized by City Ordinance No. 3448 to pay the principal of and interest on the Notes at maturity.

The full faith, credit and resources of the City are pledged irrevocably for the payment of the principal of and interest on the Notes.

Section 8. Tax Exemption; Notes Not "Arbitrage Bonds". The principal amount of the Notes shall not exceed the City's maximum anticipated cumulative cash flow deficit (as that concept is defined in Section 1.103-14(c) of the Regulations to the Internal Revenue Code of 1954, as amended) to be financed in 1986 from its excess levy taxes to be levied under Ordinance No.

3448. The City covenants that it will spend the principal proceeds of the Notes with due diligence and will make no use of the proceeds of the Notes or other funds of the City at any time during the term of the Notes which will cause the Notes to be arbitrage obligations within the meaning of Section 103(c) of the United States Internal Revenue Code of 1954, as amended, and the applicable regulations promulgated thereunder.

In addition, if future federal laws or regulations require the payment of any federal tax or rebate or the observing of any other requirement to maintain the exemption from federal income taxation of the interest on the Notes, the City shall make any such payment and observe any such requirement. If the interest on the Notes shall become subject to federal taxation because of the City's not spending note proceeds or the proceeds of the investments thereof in the amounts and within periods of time required by any future federal law or regulations or for any other reason due to the enactment of future federal law or the promulgation of regulations thereunder, or if the City's bond counsel gives an opinion to the City at that time that the interest on the Notes may or will be taxable either from the date of issuance or as of some later date, then the City shall call for redemption at par plus accrued interest all of the Notes then outstanding within 75 days after the date that law becomes law.

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 9. Rainier National Bank and Peoples National Bank of Washington, of Seattle, Washington, have submitted a joint written offer to purchase the Notes at a price of \$99.55 per each \$100.00 par value, the City to furnish the printed Notes and the unqualified approving legal opinion of Roberts & Shefelman, municipal bond counsel of Seattle, Washington. 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 relating to the issuance of the Notes or otherwise used in connection with the Notes and bond counsel's opinion shall so state. The City Council, being of the opinion that it is in the best interests of the City to accept such offer, accepts the same. The Notes, therefore, immediately upon their authentication shall be delivered to the purchasers thereof upon payment for the Notes in accordance with such offer.

Section 10. Pending the printing, execution and delivery to the purchasers of the definitive Notes, the City may cause to be executed and delivered to such purchasers a single temporary Note in the principal amount of \$847,781. Such temporary Note

shall bear the same date of issuance, interest rate, principal payment date and terms and covenants as the definitive Notes, and shall be issued as a fully registered note in the name of such purchasers, and shall be in such form as acceptable to such purchasers. Such temporary Note shall be exchanged for the definitive Notes as soon as the same are printed, authenticated and available for delivery.

Section 11. This ordinance shall take effect and be in force five days after its passage and legal publication.

PASSED by the City Council this 27th day of January, 1986, and signed in authentication of its passage this 27th day of January, 1986.



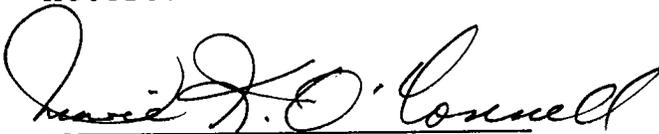
Cary E. Bozeman, Mayor

Approved As To Form:



Richard L. Andrews
City Attorney

Attest:



Marie K. O'Connell
City Clerk

Published: *January 31, 1986*

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