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## CITY OF BELLEVUE, WASHINGTON

ORDINANCE NO. 3672

AN ORDINANCE regarding "Convention Center Revenue Bonds, 1975"; amending section 3 of Ordinance 2186 and section 7 of Ordinance 2201; and approving an agreement with David C. Wyman.

WHEREAS, on February 10, 1975, the City Council enacted Ordinance No. 2186 providing for the acquisition and construction of a Bellevue Convention Center and authorizing the issuance of revenue bonds to pay the cost thereof; and

WHEREAS, section 3 of said Ordinance No. 2186 pledged as security for payment of said bonds all revenue received by the City from levy of the special excise tax authorized by RCW 67.28.180; and

WHEREAS, on March 27, 1975, the City Council enacted Ordinance No. 2201 providing for the issuance and delivery of "Series A, Convention Center Revenue Bonds, 1975"; and

WHEREAS, pursuant to section 8 of Ordinance No. 2201 said bonds were purchased by M.H. Wyman, who subsequently transferred his title in said bonds to David C. Wyman; and

WHEREAS, under section 7 of Ordinance No. 2201 the City made certain covenants and agreements with regard to the bonds, including, under subsection 7(b), a pledge of all revenues received by the City from its levy of the special excise tax authorized by RCW 67.28.180 as security for payment of the principal of and interest on the bonds as long as said bonds are outstanding; and

WHEREAS, under section 3 of Ordinance No. 2186 and section 7 of Ordinance No. 2201 the City is prevented from expending surplus funds for purposes authorized by RCW 67.28.180 because all such funds are pledged to payment of the bonds; and

WHEREAS, the City desires to amend section 3 of Ordinance No. 2186 and section 7 of Ordinance No. 2201 to permit the expenditure of such funds for any lawful purpose under RCW 67.28.180, as now or hereafter amended; and

WHEREAS, David C. Wyman has agreed to such an amendment; now, therefore,

THE CITY COUNCIL OF THE CITY OF BELLEVUE, WASHINGTON, DOES ORDAIN AS FOLLOWS:

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Section 1. Section 3 of Ordinance No. 2186, as previously amended by section 11 of Ordinance No. 2201, is hereby amended to read as follows:

Section 3. The bonds authorized herein shall be paid from all of the revenue which the City receives from the special excise tax authorized by RCW 67.28.180, imposed by Ordinance No. 2132 of the City and deposited by the City in a special fund entitled the "Convention Center Fund No. 114," and from so much of the gross revenue of the facilities to be acquired and constructed as may hereafter be provided by ordinance. The City pledges as security for the payment of the bonds herein authorized all of the revenue that the City receives from the special excise tax authorized by RCW 67.28.180, and any deficit in the payment of the principal of and interest on such bonds shall be paid from the gross revenue of such facilities in the manner to be provided in the bonds and the ordinance or ordinances authorizing their sale and delivery, provided notwithstanding this section the City may use and expend any funds to the extent authorized in section 7 of Ordinance No. 2201 as amended by section 2 of this ordinance.

Section 2. Section 7 of Ordinance No. 2201 is amended to read as follows:

Section 7. The City covenants and agrees with the owner and holders of each of the Bonds as follows:

(a) That as long as any of the bonds payable out of the Bond Fund is outstanding, the City hereby pledges to pay into the "Principal and Interest Account" of the Bond Fund out of the monies in the Convention Center Fund No. 114, and if necessary out of the gross revenue from the Convention Center and/or Stadium Facilities of the City acquired or constructed with the proceeds received from the sale of the total authorized issue of bonds, including the Bonds, at least ten days prior to each semiannual interest payment date sufficient amounts to pay the interest on, or principal of and interest on, such bonds as the same shall become due.

(b) That as long as any of the bonds payable out of the Bond Fund is outstanding, the City hereby pledges all of the revenue which the City receives and which the City is entitled to receive from its levy of the special excise tax authorized by RCW 67.28.180, as security for the payment of the principal of and interest on the total authorized issue of bonds, including the Bonds; provided, that notwithstanding such pledge hereunder, the City may use and expend any such revenue which is in excess of the amount required to be maintained in the "Reserve Account" under subsection (f) of this section 7 for any lawful purpose under RCW 67.28.180 as now or hereafter amended.

(c) That as long as any of the bonds payable out of

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the Bond Fund is outstanding, the City hereby pledges the gross revenue from the Convention Center and/or Stadium Facilities of the City acquired or constructed with the proceeds received from the sale of the total authorized issue of bonds, including the Bonds, as additional security for the payment of any deficit in the payment of the principal of and interest on the total authorized issue of bonds, including the Bonds, to be used after the application thereto of all available special excise tax revenue;

(d) The City shall make every reasonable effort to collect all of the tax revenue described in Subsection (b) of this Section that it is entitled to receive, including the initiation of court proceedings to enforce its rights to such tax revenue;

(e) All bonds of the total authorized issue of bonds, including the Bonds, shall constitute a lien and charge upon the revenues described in Subsections (b) and (c) of this Section prior to and superior to any other liens or charges whatsoever; and

(f) Surplus monies in the Convention Center Fund No. 114 derived from special excise tax revenues in excess of the amounts required for periodic transfers to the "Principal and Interest Account" of the Bond Fund pursuant to Subsection (a) of this Section shall be transferred, whenever such surplus monies are determined by the Director of Finance of the City to be available, from the Convention Center Fund No. 114, to the "Reserve Account" of the Bond Fund in order to accumulate and maintain in the "Reserve Account" a total amount not less than twice the average annual debt service requirements for all the outstanding bonds payable out of the Bond Fund. The City further agrees that when said required amount has been paid into the "Reserve Account" in the Bond Fund, it will at all times, except for withdrawals therefrom as authorized herein, maintain that amount therein until there is a sufficient amount in the Bond Fund, including the "Reserve Account" therein, to pay the principal of and interest on all outstanding Bonds to the final maturity thereof, at which time the monies in the Bond Fund, including the "Reserve Account" therein, may be used to pay such principal and interest. In the event there shall be a deficiency in the Bond Fund to meet maturing installments of either principal or interest, as the case may be, on the Bonds, such deficiency shall be made up from the "Reserve Account" by the withdrawal of cash therefrom for that purpose. Any deficiency created in the "Reserve Account" by reason of any such withdrawal shall then be made up from the revenue which the City receives from its levy of the special excise tax authorized by RCW 67.28.180 first available after making necessary provisions for the required payments into the Bond Fund. All monies in the "Reserve Account" may be kept in cash or deposited in institutions permitted by law in an amount in each institution not greater than the amount insured by any department or agency of the United States Government, or may be invested in United States Government obligations having a guaranteed

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market, or in United States Government obligations maturing not later than the last maturity of any outstanding bonds that are payable out of the Bond Fund. Interest earned on any such investments shall be deposited in and become a part of the Bond Fund.

Section 3. That certain agreement with David C. Wyman, a copy of which has been given Clerk's Receiving No. 11367 is approved.

Section 4. This ordinance shall take effect and be in force five days after its passage and legal publication.

PASSED by the City Council this 23<sup>rd</sup> day of June, 1986, and signed in authentication of its passage this 23<sup>rd</sup> day of June, 1986.

(SEAL)

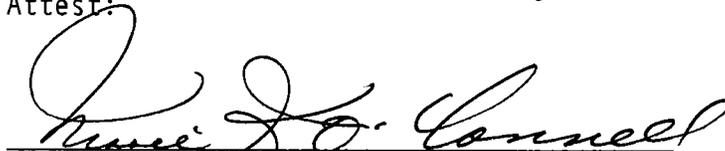
  
Cary E. Bozeman, Mayor

Approved as to form:

Richard L. Andrews, City Attorney

  
Richard L. Andrews, City Attorney

Attest:

  
Marie K. O'Connell, City Clerk

Published June 27, 1986