

ORDINANCE NO. 860

AN ORDINANCE of the City of Lacey, Washington authorizing construction of a library building and acquisition of a fire safety vehicle; authorizing the issuance and sale of \$1,540,000 of limited tax general obligation bonds; specifying the date, terms, maturities and form thereof; creating a special bond redemption fund; pledging to pay the principal of and interest on the bonds from regular tax levies; and authorizing the Finance Director to seek proposals for the purchase of such bonds.

WHEREAS, the City Council of the City of Lacey, Washington, (the "City") deems it to be in the best interests of the City to provide for construction of a library building and acquisition of a fire safety vehicle, to borrow money and issue limited tax general obligation bonds for the purpose of paying part of the costs thereof and to make certain covenants relating to the security and payment of such bonds; and

WHEREAS, the assessed valuation of real property within the City is of \$465,026,721, the City's limitation on general indebtedness incurred without a vote is 0.75% of the assessed valuation or \$3,487,700, the City's limitation on voted and nonvoted indebtedness is 2.5% of the assessed valuation or \$11,625,668 and the City's outstanding voted indebtedness and nonvoted general indebtedness currently outstanding do not exceed \$2,675,000 and \$1,402,335 respectively;

THE CITY COUNCIL OF THE CITY OF LACEY, WASHINGTON, ORDAINS as follows:

Section 1. Authorization and Estimated Cost of Projects.

A. The City shall acquire, construct, install, furnish and equip a new public library building of approximately 20,000 square feet on a site owned by the City located at 6th Avenue and College Streets S.E. to replace the existing library. Such improvements shall include, but not be limited to, site preparation, constructing of a building of approximately 20,000

square feet, in accordance with plans and specifications hereafter to be prepared by Cardwell Thomas and Associates and Streeter/Dermaius and Associates Architects AIA consulting architects, furniture and equipment for such building, asphalt parking facilities for approximately 90 vehicles, landscaping and irrigation facilities (the "Library Facilities"). All the costs of acquisition, construction and development of the land and facilities of the Library Facilities including all furniture and equipment therefor, architectural, engineering, design, administrative, legal costs and costs of financing are estimated to be \$2,392,137, of which \$1,300,000 are expected to be paid from principal and investment proceeds of the bonds authorized by this ordinance ("bond proceeds"), \$365,000 from limited tax general obligation bonds previously issued, \$442,000 from grants from Library Services and Construction Act, Title II, Washington State Library and Timberland Regional Library and the remainder from other monies of the City legally available therefor.

B. The City shall acquire a triple combination fire pumper with attendant miscellaneous equipment including hoses, nozzles and tools (the "Fire Pumper"). All costs of acquiring the Fire Pumper including costs of financing are estimated to be \$240,000, all of which is expected to be paid from bond proceeds.

The Library Facilities and Fire Pumper are collectively referred to as the Project. By ordinance, the City Council may make such changes in the elements of the Project as may be found necessary or desirable either prior to or during the course of acquisition or construction, may allocate and reallocate application of bond proceeds among the Project elements and, if grant and bond proceeds exceed the costs of the Project, may apply bond proceeds to other capital projects of the City or deposit any such excess in the bond redemption fund created by this ordinance.

Section 2. Authorization and Terms of Bonds. The City of Lacey, Washington (the "City"), shall issue and sell its Limited Tax General Obligation Bonds, 1989 in the aggregate principal

amount of \$1,540,000 (the "Bonds") for the purpose of paying part of the costs of the Project.

The Bonds shall be dated September 1, 1989, shall be fully registered, shall be in denominations of \$5,000 or any integral multiple of \$5,000, and shall bear interest from their date payable semiannually on each June 1 and December 1, commencing June 1, 1990, to the registered owner thereof, with full obligation on the part of the City to pay interest at the rates hereafter established by resolution of the City Council until the respective maturity dates of the Bonds and thereafter until such Bonds, both principal and interest, are paid in full or funds are available in the Bond Redemption Fund created by Section 12 of this ordinance sufficient to make such payment in full.

Both principal of and interest on the Bonds shall be payable in lawful money of the United States of America to the registered owner or owners thereof. Principal of the Bonds shall be payable upon presentation and surrender of the Bonds by the registered owner or nominee of such owner at the office of either of the fiscal agencies of the State of Washington in the cities of Seattle, Washington, and New York, New York, (the "Bond Registrar"). Interest on the Bonds shall be paid by check or draft mailed to the registered owner thereof or nominee of such owner at the address appearing on the registry books of the Bond Registrar on the 15th day of the month preceding the interest payment date.

The Bonds shall be numbered and bear such additional designation as the Bond Registrar shall determine, shall be payable serially, shall bear interest at rates to be hereafter established by resolution of the City Council, and shall mature on December 1 of each of the following years and in the following amounts:

<u>Maturity Year</u>	<u>Amount</u>
1991	\$ 40,000
1992	40,000
1993	45,000
1994	50,000
1995	55,000
1996	55,000
1997	60,000
1998	65,000
1999	70,000

2000	75,000
2001	80,000
2002	85,000
2003	95,000
2004	100,000
2005	105,000
2006	115,000
2007	125,000
2008	135,000
2009	145,000

The Bonds are interchangeable for Bonds of any authorized denomination of an equal aggregate principal amount, and of the same interest rate and maturity. Bonds may be transferred only if endorsed in the manner provided thereon and surrendered to the Bond Registrar. Such exchange or transfer shall be without cost to the owner or transferee. The Bond Registrar shall not be obligated to transfer or exchange any Bond during the fifteen days preceding any interest payment date or the date on which notice of redemption of such Bond is to be given nor after such notice has been given.

The City may deem the person in whose name each Bond is registered to be the absolute owner thereof for the purpose of receiving payment of the principal of and interest on such Bond and for any and all other purposes whatsoever.

Section 3. Redemption. The City has reserved the right to redeem bonds maturing on or after December 1, 1999, as a whole, on December 1, 1998 and on any date thereafter, or in part (maturities to be selected by the City and by lot within a maturity), on December 1, 1998 or any interest payment date thereafter at a price of par, plus accrued interest, if any, to the date of redemption.

Notice of such intended redemption shall be given not less than thirty (30) days nor more than sixty (60) days prior to the date fixed for redemption by first-class mail, postage prepaid, to the registered owner of any Bond to be redeemed at the address appearing on the registration books of the Bond Registrar. The requirements of this section shall be deemed to be complied with when notice is mailed as herein provided, whether or not it is actually received by the owner of any Bond. Notice shall also be mailed to the initial purchaser of the Bonds at its main office, or to its successor in business, if any, at its main office and to

Moody's Investors Service in New York, New York, or its business successors, but the mailing of these two notices shall not be a condition precedent to the call of the Bonds for redemption.

Interest on any Bonds so called for redemption shall cease on the date fixed for redemption unless the bond or bonds so called are not paid in full upon presentation made pursuant to such call.

Section 4. Security. The City hereby irrevocably pledges itself to budget and appropriate from annual tax levies available to the City without a vote of the people amounts sufficient, together with other monies legally available therefor, to pay the principal of and interest on the Bonds as the same shall become due, and the full faith, credit and resources of the City are hereby irrevocably pledged for the payment of the principal of and interest on such Bonds.

Section 5. Tax Code Covenant. The City covenants that it will apply the principal and investment proceeds of the Bonds to the Project and that it will make no use of the proceeds of the Bonds at any time during the term of the Bonds nor take any action or refrain from any action as may be necessary to comply with the United States Internal Revenue Code of 1986 (the "Code"), and applicable regulations promulgated thereunder which would cause the interest on the Bonds to become includable in gross income under Sections 103, 141, 148 and 149 of said Code.

Section 6. Findings and Designation of Bank Eligibility. The City expects to issue water and sewer revenue bonds and/or bond anticipation notes in the estimated principal amount of \$3,000,000, but has not heretofore issued nor does it expect to issue any other obligations in 1989. Therefore, the City is not expected to issue more than \$5,000,000 of bonds (including the Bonds) in 1989. The City Council hereby finds and determines that the Bonds qualify for the exemption from rebate under the Code and further that the Bonds are, and are hereby designated to be, qualified tax-exempt obligations pursuant to Section 265(b)(3) of said Code relating to financial institutions.

Section 7. Form of the Bonds. [The City Clerk is hereby authorized to publish the following summary of this Section 7 in lieu of the full text:

Section 7. Form of the Bonds. This section contains the text of the Bonds to be delivered to bondholders and with two exceptions contains no information or agreement which is not set forth elsewhere in this ordinance. The two exceptions are (1) certain abbreviations for describing interests held by registered bond owners and (2) the assignment form for effecting a transfer of Bond ownership.]

The Bonds shall be printed, lithographed, or typewritten on good bond paper in substantially the following form:

NO. _____ UNITED STATES OF AMERICA \$ _____
CITY OF LACEY, WASHINGTON
LIMITED TAX GENERAL OBLIGATION BOND, 1989

INTEREST RATE: MATURITY DATE: CUSIP NO.:

SEE REVERSE SIDE FOR
CERTAIN DEFINITIONS

REGISTERED OWNER:

PRINCIPAL AMOUNT:

The City of Lacey, Washington, (the "City") for value received hereby promises to pay to the Registered Owner identified above, or registered nominees, on the Maturity Date specified above, the Principal Amount indicated above and to pay interest thereon from the date of this bond, or the most recent date to which interest has been paid or duly provided for, whichever is later, at the Interest Rate set forth above, payable on June 1, 1990, and semiannually thereafter on the first days of each December and June to and including its Maturity Date and thereafter until this bond with interest is paid in full, or funds are available in the "City of Lacey Limited Tax General Obligation Bond Redemption Fund, 1989" for payment in full. Both principal of and interest on this bond are payable in lawful money of the United States of America. Principal shall be payable upon presentation and surrender of this certificate by the Registered Owner or nominee of such owner at the office of either of the fiscal agencies of the State of Washington in the cities of Seattle, Washington, and New York, New York (the "Bond Registrar"). Interest is payable by check or draft mailed to the Registered Owner hereof or nominee of such owner at the address appearing on the registry books of the Bond Registrar on the 15th day of the month preceding the interest payment date.

This bond is one of an issue of \$1,540,000 of bonds of like date, tenor and effect, except as to number, denomination, maturity and interest rate which are issued by the City to pay part of the cost of constructing and equipping a public library building and acquiring a fire pumper with equipment as provided in Ordinance No.860 of the City (the "Bond Ordinance") and is issued in full

compliance with the ordinances of the City and the laws and Constitution of the State of Washington.

The City has reserved the right to redeem bonds maturing on or after December 1, 1999, as a whole, or in part (maturities to be selected by the City and by lot within a maturity), on December 1, 1998, or any interest payment date thereafter at a price of par, plus accrued interest to the date of redemption.

Notice of any such intended redemption shall be given not less than thirty (30) days nor more than sixty (60) days prior to the date fixed for redemption by first class mail, postage prepaid, to the registered owner of this bond at the address appearing on the registration books of the Bond Registrar. The requirements of the preceding sentence shall be deemed to be complied with when notice is mailed as herein provided, whether or not it is actually received by the owner of this bond. Notice shall also be mailed to _____ at its main office, or to its successor in business, if any, at its main office and to Moody's Investors Service in New York, New York, or its business successors, but the mailing of these two notices shall not be a condition precedent to the call of this bond for redemption.

Interest on this bond so called for redemption shall cease on the date fixed for redemption unless such bond so called is not paid in full upon presentation made pursuant to such call.

The City irrevocably pledges itself to budget and appropriate from annual tax levies available to the City without a vote of the people amounts sufficient together with other monies legally available therefor to pay the principal of and interest on the bonds of this issue as the same shall become due, and the full faith, credit and resources of the City are hereby irrevocably pledged for the payment of the principal of and interest on such bonds.

By the Bond Ordinance, the City has designated the bonds of this issue to be qualified tax-exempt obligations pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986 relating to financial institutions.

It is hereby certified that all acts, conditions and things required by the Constitution and laws of the State of Washington and ordinances of the City to be done, to happen or to be performed as conditions precedent to the issuance of this bond have been done, have happened and have been performed and that the total indebtedness of the City, including the bonds of this issue, does not exceed any constitutional or statutory limitations.

This bond is interchangeable for bonds of any authorized denomination of an equal aggregate principal amount, and of the same interest rate and maturity. This bond is transferable only upon the registry books of the Bond Registrar by surrender of this certificate to the Bond Registrar, duly assigned and executed as indicated on the reverse side hereof. Such exchange or transfer shall be without cost to the owner or transferee. The Bond Registrar shall not be obligated to transfer or exchange this bond during the fifteen days preceding any interest payment date or the date on which notice of redemption of such bond is to be given nor after such notice has been given. The City may deem the person in whose name this bond is registered to be the absolute owner thereof for the purpose of receiving payment of the principal of and interest on such bond and for any and all other purposes whatsoever.

This bond shall not become valid or obligatory for any purpose until the certificate of authentication set forth hereon has been signed by the Bond Registrar.

IN WITNESS WHEREOF, the City has caused this bond to be signed by the facsimile or manual signature of its Mayor and attested by the facsimile or manual signature of the City Clerk and its corporate seal to be impressed or a facsimile imprinted hereon this 1st day of September, 1989.

CITY OF LACEY, WASHINGTON

BY: (facsimile signature)
MAYOR

ATTEST:

(facsimile signature)
CITY CLERK

Date of Authentication:

CERTIFICATE OF AUTHENTICATION

This bond is one of the fully registered City of Lacey, Washington, "Limited Tax General Obligation Bonds, 1989", described in the within mentioned Bond Ordinance.

WASHINGTON STATE FISCAL AGENCY
Bond Registrar

BY: (manual)
Authorized Officer

The following abbreviations, when used in the inscription on the face of the within bond, shall be construed as though they were written out in full according to applicable laws or regulations:

- TEN COM - as tenants in common
- TEN ENT - as tenants by the entireties
- JT TEN - as joint tenants with right of survivorship and not as tenants in common

UNIF (GIFT) (TRANSFER) MIN ACT _____ Custodian
(Custodian)
_____ under _____ Uniform (Gift) (Transfers) to
(Minor) (State) Minors Act

Additional abbreviations may also be used though not in list above

Assignment

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto _____

Please insert Social Security or Taxpayer Identification Number of Transferee

(Please print or type name and address, including zip code of Transferee)

the within bond and does hereby irrevocably constitute and appoint

or its successor, as Bond Registrar to transfer said bond on the books kept for registration thereof with full power of substitution in the premises.

DATED: _____

SIGNATURE GUARANTEED:

NOTE: The signature on this Assignment must correspond with the name of the registered owner as it appears upon the face of the within bond in every particular, without alteration or enlargement or any change whatever.

Section 8. Execution and Authentication of Bonds. The Bonds shall be signed on behalf of the City with the facsimile or manual signature of the Mayor, shall be attested by the facsimile or manual signature of the City Clerk and shall have the corporate seal of the City impressed or a facsimile thereof imprinted thereon.

The Bonds shall not be valid or obligatory for any purpose or entitled to the benefits of this ordinance unless it shall bear thereon a Certificate of Authentication in the form hereinbefore recited, manually executed by the Bond Registrar. Such Certificate of Authentication shall be conclusive evidence that the Bonds so authenticated have been duly executed, authenticated and delivered hereunder and are entitled to the benefits of this ordinance.

In case either of the officers who shall have executed the Bonds or any bond which may be hereafter issued in substitution for any Bond shall cease to be such officer or officers of the City before the bond so signed shall have been authenticated or delivered by the Bond Registrar, or issued by the City, such bond may nevertheless be authenticated, delivered and issued and upon such authentication, delivery and issuance, shall be as binding upon the City as though those who signed the same had continued to

be such officers of the City. The Bonds or any substitute bonds may also be signed and attested on behalf of the City by such persons as at the actual date of execution of such bonds shall be the proper officers of the City although at the original date of the Bonds any such person shall not have been such officer of the City.

Section 9. Lost or Destroyed Bonds. In case any Bond shall be lost, stolen or destroyed, the Bond Registrar may authenticate and deliver a new bond of like date, principal amount, maturity, interest rate, tenor and effect to the registered owner or nominee thereof upon payment to the City for the expenses and charges in connection therewith and upon its filing with the Bond Registrar evidence satisfactory to said Bond Registrar that such Bond was actually lost, stolen or destroyed and of its ownership thereof, and upon furnishing the City with indemnity satisfactory to them both.

Section 10. Bond Registrar. Either of the fiscal agencies of the State of Washington in the cities of Seattle, Washington, and New York, New York (the "Bond Registrar") shall keep, or cause to be kept, sufficient books for the registration and transfer of the Bonds. The Bond Registrar is authorized, on behalf of the City to deliver a substitute bond or bonds in authorized denominations for any Bonds transferred or exchanged in accordance with the provisions of such Bonds and this ordinance and to carry out all of the Bond Registrar's powers and duties under this ordinance.

Section 11. Defeasance. In the event that monies are irrevocably set aside in a special escrow fund (the "Escrow Fund") on the terms and conditions set forth in this section below to refund all or any part of the Bonds, with respect to the Bonds so refunded:

- a. Payments into the Bond Redemption Fund for payment of principal of and interest on the Bonds shall be discontinued;
- b. The Bonds shall cease to be entitled to any lien,

benefit or security of this ordinance except the right to receive the monies so set aside; and

c. The Bonds shall be deemed not to be outstanding under this ordinance; provided, that any Bonds so refunded shall be deemed to be outstanding for the purpose of transfers, exchanges or the replacement of lost or destroyed Bonds pursuant to this ordinance.

The Escrow Fund shall be established with a corporate fiduciary qualified to do business in the State of Washington and:

(1) Monies set aside in said Escrow Fund shall be irrevocably pledged to pay principal of and redemption premium, if any, and interest on the refunded Bonds; and

(2) Said monies shall be held in cash and/or "government obligations" as defined in Chapter 39.53 RCW;

(3) Such government obligations shall mature at such time or times and bear interest at such rates to provide without any reinvestment thereof sufficient amounts to pay interest on the refunded Bonds when due and to redeem and retire the refunded Bonds at their respective maturity dates, mandatory redemption dates, and/or pursuant to an irrevocable call of any or all such refunded Bonds for redemption in accordance with their terms; and

(4) The sufficiency of such cash and government obligations to make such payments shall have been verified by an independent certified public accountant.

Section 12. Bond Redemption Fund. There is hereby created and established in the office of the City Treasurer an account to be known and designated as the City of Lacey Limited Tax General Obligation Bond Redemption Fund, 1989" (the "Bond Redemption Fund") for the sole purpose of payment of the principal of and interest on the Bonds. The City hereby covenants to deposit in the Bond Redemption Fund on or before each interest and/or principal payment date from annual tax levies available to the City without a vote of the people an amount sufficient together with monies otherwise

available therein to pay principal of and interest due on the Bonds on such date.

Section 13. Library Construction and Fire Equipment Acquisition Funds. There are hereby created and established in the office of the City Treasurer special funds (collectively the "Construction Funds") to be designated and used as follows:

A. A "City of Lacey Library Construction Fund" (the "Library Construction Fund"). Monies deposited in the Library Construction fund shall be used for the Library Facilities described in Section 1 of this ordinance.

B. A "City of Lacey Fire Safety Equipment Acquisition Fund (the "Fire Equipment Acquisition Fund") and monies deposited therein from principal and investment proceeds of the Bonds shall be used for the Fire Pumper described in Section 1 of this ordinance.

Monies in the Construction Funds shall be used to pay, pro rata, the costs of issuance of the Bonds.

Pending their expenditure, the City may temporarily invest monies in the Construction Funds in any investments permitted by laws of the State of Washington. The investment earnings shall be retained in the respective Construction Funds and expended for the purposes of such Funds.

Monies in the Construction Funds shall be deemed to be spent for costs of the respective Project elements in the following order: First, from principal proceeds of the Bonds deposited therein. Second, from earnings on investment of Bond proceeds and of such investment earnings. Third, from any other monies at any time deposited in such Construction Funds. If any principal or investment proceeds of the Bonds remain after completion of the respective Project element, they shall be applied promptly to such other purposes as the City Council shall direct by ordinance; provided that expenditure of proceeds shall occur within three years of the date of issuance of the Bonds. To the extent that any

such proceeds are not expended within such three-year period, they shall be immediately transferred to the Bond Redemption Fund.

Section 14. Disposition of the Bond Proceeds. Amounts received as proceeds of sale of the Bonds shall be deposited as follows:

a. To the Bond Redemption Fund shall be paid the amount received on the date of delivery of the Bonds as accrued interest;

b. to the Fire Equipment Acquisition Fund shall be paid the amount of \$240,000; and

c. to the Library Construction Fund shall be paid the balance of the Bond proceeds.

Bond proceeds deposited in Construction Funds shall be used solely for paying costs of the Project in accordance with Section 13 of this ordinance.

Section 15. Sale of the Bonds. The Finance Director is hereby authorized and directed to obtain one or more, as in his discretion shall be in the best interest of the City, proposals for purchase of the Bonds and shall make a recommendation to the Council for sale of the Bonds at its regular meeting to be held on August 24, 1989.

Section 16. Authorization to City Officials. The proper City officials are hereby authorized and directed to approve an official statement or other disclosure document, and to do everything necessary and proper to carry out the Project and for the prompt issuance, execution and delivery of the Bonds in conformance with the provisions of this ordinance and for the proper use and application of the proceeds of the sale thereof as provided in Sections 13 and 14 of this ordinance.

Section 17. Severability. If any one or more of the covenants or agreements provided in this ordinance to be performed on the part of the City shall be declared by any court of competent jurisdiction to be contrary to law, then such covenant or covenants, agreement or agreements shall be null and void and shall

be deemed separable from the remaining covenants and agreements of this ordinance and shall in no way affect the validity of the other provisions of this ordinance or of the Bonds.

Section 18. Ratification. All actions taken and things done on behalf of the City in connection with the issuance of the Bonds consistent with this ordinance but prior to its effective date are in all respects hereby ratified and confirmed.


Section 19. Effective Date. The Ordinance shall be effective five days from and after its passage and publication as provided by law.

PASSED by the City Council at a regularly held meeting, on July 27, 1989.




MAYOR

ATTEST



CITY CLERK

FORM APPROVED:



CITY ATTORNEY

Passed:
Approved:
Published: