

CITY OF BURIEN, WASHINGTON

ORDINANCE NO. 625

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BURIEN, WASHINGTON, AMENDING ORDINANCE NO. 584 ADOPTED BY THE CITY COUNCIL ON AUGUST 5, 2013, AS AMENDED BY ORDINANCE NO. 613 ADOPTED BY THE CITY COUNCIL ON SEPTEMBER 8, 2014, AUTHORIZING THE ISSUANCE AND SALE OF A LIMITED TAX GENERAL OBLIGATION BOND OF THE CITY IN THE PRINCIPAL AMOUNT OF NOT TO EXCEED \$3,600,000 AND CERTAIN MATTERS RELATED THERETO.

WHEREAS, the City Council (the “Council”) of the City of Burien, Washington (the “City”), adopted Ordinance No. 584 on August 5, 2013, as amended by Ordinance No. 613 adopted on September 8, 2014 (as amended, the “Original Ordinance”), authorizing the issuance and sale of the City’s Limited Tax General Obligation Bond (Non-Revolving Line of Credit), 2013 (Taxable) in the aggregate principal amount of not to exceed \$3,600,000 (the “Bond”); and

WHEREAS, the Bond is scheduled to mature on September 5, 2015, and at such time all accrued interest and principal on the Bond shall become due; provided, however, that under the terms of the Original Ordinance, at the option of the Council and with the consent of KeyBank National Association, as purchaser (the “Bank” or “Registered Owner”), the final maturity of the Bond may be extended on each anniversary of its dated date for additional one-year terms, resulting in a final maturity of no later than five years from the dated date of the Bond; and

WHEREAS, the Bank has agreed to extend the maturity date of the Bond to September 5, 2016; and

WHEREAS, it is deemed necessary and advisable that the City extend the maturity date of the Bond as set forth herein;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF BURIEN, WASHINGTON DOES ORDAIN AS FOLLOWS:

Section 1. Definitions. Terms not otherwise defined herein, including in the recitals set forth above, shall have the meanings set forth in the Original Ordinance.

Section 2. Amendments to the Original Ordinance.

(a) *Section 3 (Authorization of the Bond).* Section 3 (Authorization of the Bond) of the Original Ordinance is hereby amended as follows (deletions are ~~stricken~~, additions are double underlined):

Section 3. Authorization of the Bond. The City shall, for the purpose of financing costs of the Project and paying costs of issuing the Bond, establish a line of credit. To evidence such line, the City shall issue its limited tax general obligation bond in the principal amount of not to exceed \$3,600,000 (the “Bond”). The Bond shall be designated the “City of Burien, Washington, Limited Tax General Obligation Bond (Non-Revolving Line of Credit), 2013 (Taxable),” shall be dated as of its date of delivery, shall be fully registered as to both principal and interest, shall be in one denomination, and shall mature on September 5, 2016 ~~September 5, 2015~~, unless extended as provided below. Amounts drawn on the line of credit evidenced by the Bond shall bear interest at the Interest Rate pursuant to a Request for Draw in substantially the form set forth on Exhibit B, which is hereby incorporated by this reference. The City shall maintain records of amounts drawn on the Bond. The City hereby delegates to the City Manager or Finance Director authority to make written Request for Draws pursuant to the terms of this ordinance.

Interest on each draw on the Bond shall accrue from the date money is drawn until paid and shall be calculated per annum on the basis of a 360-day year and the actual number of days elapsed. All accrued interest and principal on the Bond shall be payable at maturity.

At the option of the City Council and with the consent of the Bank, the final maturity of the Bond may be extended on each anniversary of its dated date (each, an “Extension Date”) for additional one-year terms, resulting in a final maturity of no later than five years from the dated date of the Bond. If the City Council determines that it is in the best interest of the City to extend the term of the Bond, and the Bank approves such extension, the City Council shall authorize the extension by the adoption of a new ordinance or an amendatory ordinance establishing the terms and conditions, including any adjustment to the Interest Rate, for such extension. Thereafter, the City shall authenticate and deliver a replacement Bond to the Registered Owner. If the City has determined that it is in the best interest of the City to not extend the term of the Bond, all accrued interest and principal on the Bond shall be payable at maturity.

(b) *Section 5 (Form of Bond).* Section 5 (Form of Bond) of the Original Ordinance is hereby replaced in its entirety with the form of Bond attached hereto in Exhibit A.

(c) *Section 10 (Sale of the Bond).* Section 10 (Sale of the Bond) of the Original Ordinance is hereby amended as follows (deletions are ~~stricken~~, additions are double underlined):

Section 10. Sale of the Bond. The City hereby accepts the Bank’s Proposal in accordance with the terms contained in this ordinance and the Bank’s Proposal, which is

attached as Exhibit A. The Finance Director is hereby authorized to approve the Interest Rate for the Bond, which shall be a fixed rate of interest equal to the Bank's one-year fixed rate cost of funds plus 1.09%; provided, however, such Interest Rate shall not exceed 32.0%. The Finance Director is hereby authorized to agree to any other terms, conditions and covenants that are in the best interest of the City and in accordance with the Bank's Proposal.

In connection with the extension of the maturity date of the Bond to September 5, 2016~~September 5, 2015~~, the Interest Rate on the Bond may be adjusted so long as such adjusted Interest Rate is consistent with the parameters established by this ordinance. Any adjustment to the Interest Rate shall become effective on September 5, 2015~~September 5, 2014~~.

The appropriate City officials are hereby authorized and directed to do everything necessary for the prompt issuance, execution and delivery of the Bond and for the proper application and use of the proceeds thereof.

Section 3. Delivery of Replacement Bond; Further Acts. The City is hereby authorized to authenticate and deliver a replacement Bond to the Registered Owner, which shall include the adjusted Interest Rate as provided in Section 2(c) of this ordinance.

The replacement Bond shall be executed on behalf of the City with the manual or facsimile signatures of the Mayor and City Clerk of the City and the seal of the City shall be impressed, imprinted or otherwise reproduced thereon. The Finance Director, as Bond Registrar, is hereby authorized to authenticate the replacement Bond on behalf of the City, and to request bond counsel to the City to provide an opinion to the City and the Registered Owner stating that the replacement Bond is a legal, valid and binding general obligation of the City. The City shall pay the Registered Owner's legal fees in connection with this extension, in the amount of \$1,500.

In case either of the officers who shall have executed the Bond shall cease to be an 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 Bond may also be signed and attested on behalf of the City by such persons who at the date of the actual execution of the Bond, are the proper officers of the City, although at the original date of such Bond any such person shall not have been such officer of the City.

The appropriate City officials are hereby authorized and directed to do everything necessary for the prompt issuance, execution and delivery of the replacement Bond to the Registered Owner and to carry out the terms of this ordinance.

Section 4. Ratification and Confirmation. Except as hereby amended, the remaining terms and conditions of Ordinance No. 584, as previously amended by Ordinance No. 613, are hereby ratified and confirmed in all respects. All acts taken pursuant to the authority granted in this ordinance but prior to its effective date are hereby ratified and confirmed.

Section 5. Effective Date of Ordinance. This ordinance shall be effective five (5) days after its passage, approval and publication as provided by law.

ADOPTED BY THE CITY COUNCIL AT A REGULAR MEETING THEREOF ON THE 3RD DAY OF AUGUST, 2015, AND SIGNED IN AUTHENTICATION OF ITS PASSAGE OF THIS 3RD DAY OF AUGUST, 2015.

CITY OF BURIEN
/s/ Lucy Krakowiak, Mayor

ATTEST/AUTHENTICATED:
/s/ Monica Lusk, City Clerk

Approved as to form:
/s/ Pacifica Law Group LLP, Bond Counsel

Filed with the City Clerk: August 3, 2015
Passed by the City Council: August 3, 2015
Ordinance No.: 625
Date of Publication: August 7, 2015

EXHIBIT A

Form of Bond

The Bond shall be in substantially the following form:

UNITED STATES OF AMERICA

NO. R-3

\$3,600,000
(or as much thereof as
may be drawn hereunder)

STATE OF WASHINGTON

CITY OF BURIEN
LIMITED TAX GENERAL OBLIGATION BOND
(NON-REVOLVING LINE OF CREDIT), 2013 (TAXABLE)

INTEREST RATE: _____%
MATURITY DATE: SEPTEMBER 5, 2016
REGISTERED OWNER: KEY BANK NATIONAL ASSOCIATION
PRINCIPAL AMOUNT: NOT TO EXCEED THREE MILLION SIX HUNDRED
THOUSAND AND NO/100

The City of Burien, Washington (the “City”), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, on or before the Maturity Date identified above, the Outstanding Principal Balance (as defined in the within-mentioned Bond Ordinance). The Outstanding Principal Balance shall bear interest at the Interest Rate identified above, which Interest Rate shall be effective beginning September 5, 2015, as set forth in Ordinance No. 584 of the City, adopted on August 5, 2013, as amended by Ordinance No. 613 of the City, adopted on September 8, 2014, as amended by Ordinance No. 625 of the City, adopted on August ____, 2015 (together, the “Bond Ordinance”). Interest on each draw making up the Outstanding Principal Balance shall accrue from the date money is drawn, pursuant to a Request for Draw, until paid and shall be computed per annum on the principal amount outstanding on the basis of a 360-day year and the actual number of days elapsed. All accrued interest and principal on this bond shall be payable on the Maturity Date identified above, unless such date is extended as provided in the Bond Ordinance. Capitalized terms used in this bond have the meanings given such terms in the Bond Ordinance.

Both principal of and interest on this bond are payable in lawful money of the United States of America. Principal and interest shall be paid to the Registered Owner out of the Bond Fund of the City. Interest shall cease to accrue on the date this bond is paid in full.

This bond may be prepaid prior to maturity as provided in the Bond Ordinance.

The City covenants that it will levy taxes annually upon all the taxable property in the City within the levy limits permitted to cities without a vote of the electors and in amounts sufficient, with other moneys legally available therefor, to pay the principal of and interest on this bond as the same shall become due. The full faith, credit, and resources of the City are hereby irrevocably pledged for the annual levy and collection of such taxes and the prompt payment of such principal and interest.

This bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Bond Ordinance until the Certificate of Authentication hereon shall have been manually signed by or on behalf of the Bond Registrar or its duly designated agent.

This bond is issued pursuant to the Constitution and laws of the State of Washington, and duly adopted ordinances of the City, to provide interim financing for a legal settlement and to pay costs of issuance for this bond.

This bond is not transferrable unless (i) the Registered Owner's corporate name is changed and the transfer is necessary to reflect such change; or (ii) the transferee is a successor in interest of the Registered Owner by means of a corporate merger, an exchange of stock, or a sale of assets.

It is hereby certified that all acts, conditions and things required by the Constitution and statutes of the State of Washington to exist, to have happened, been done and performed precedent to and in the issuance of this bond have happened, been done and performed and that the issuance of this bond does not violate any constitutional, statutory or other limitation upon the amount of bonded indebtedness that the City may incur.

IN WITNESS WHEREOF, the City of Burien, Washington has caused this replacement bond to be executed by the manual or facsimile signatures of the Mayor and the City Clerk and the seal of the City imprinted, impressed or otherwise reproduced hereon as of this _____ day of _____, 2015.

[SEAL]

CITY OF BURIEN, WASHINGTON

By _____
/s/ manual or facsimile
Mayor

ATTEST:

/s/ manual or facsimile
City Clerk

The Certificate of Authentication for the Bond shall be in substantially the following form:

CERTIFICATE OF AUTHENTICATION

This is the Limited Tax General Obligation Bond (Non-Revolving Line of Credit), 2013 (Taxable) of the City of Burien, Washington, dated September 5, 2013, as described in the within-referenced Bond Ordinance.

Date of Authentication: September __, 2015

FINANCE DIRECTOR, as Bond Registrar

By _____

CERTIFICATE

I, the undersigned, City Clerk of the City Council of the City of Burien, Washington (the “City”), DO HEREBY CERTIFY:

1. That the attached Ordinance is a true and correct copy of Ordinance No. 625 of the City Council (the “Ordinance”), duly passed at a regular meeting thereof held on the 3rd day of August, 2015.

2. That said meeting was duly convened and held in all respects in accordance with law, and to the extent required by law, due and proper notice of such meeting was given; that a legal quorum was present throughout the meeting and a legally sufficient number of members of the City Council voted in the proper manner for the passage of the Ordinance; that all other requirements and proceedings incident to the proper passage of the Ordinance have been duly fulfilled, carried out and otherwise observed; and that I am authorized to execute this certificate.

IN WITNESS WHEREOF, I have hereunto set my hand this 3rd day of August, 2015.

/s/ Monica Lusk, City Clerk