

RESOLUTION NO. 438

A RESOLUTION OF THE CITY OF SHORELINE, WASHINGTON, APPROVING THE SALE OF THE CITY'S LIMITED TAX GENERAL OBLIGATION BONDS, 2019 IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$10,000,000 TO PROVIDE FUNDS TO FINANCE THE COSTS OF CARRYING OUT CERTAIN TRANSPORTATION IMPROVEMENT PROJECTS AND TO PAY COSTS OF ISSUING THE BONDS; DELEGATING CERTAIN AUTHORITY TO APPROVE THE FINAL TERMS OF THE BONDS; AND PROVIDING FOR OTHER MATTERS RELATED THERETO, ALL IN ACCORDANCE WITH ORDINANCE NO. 853 OF THE CITY.

WHEREAS, the City Council (the "Council") of the City of Shoreline, Washington (the "City") by Ordinance No. 853 passed on February 25, 2019 (the "Bond Ordinance"), authorized the issuance and sale of one or more series of limited tax general obligation bonds of the City in the aggregate principal amount of not to exceed \$42,000,000 (the "Bonds") for the purpose of providing funds to finance costs related to transportation improvement projects (as defined in the Bond Ordinance, the "Projects") and to pay costs of issuing each series of Bonds; and

WHEREAS, the terms of each series of Bonds shall be consistent with the Bond Ordinance and the provisions of and additional parameters set forth in a sale resolution to be considered and approved by the Council in connection with each series of Bonds; and

WHEREAS, after due consideration the Council has determined that it is in the best interest of the City to authorize the issuance and sale of a first series of limited tax general obligation bonds (the "2019 Bonds") under the terms of the Bond Ordinance and this resolution to pay a portion of the costs of the Projects; and

WHEREAS, this Council wishes to delegate authority to the City Manager (the "Designated Representative"), for a limited time, to approve the interest rates, maturity dates, denominations, redemption terms and other terms of the 2019 Bonds within the parameters set by this resolution;

BE IT RESOLVED, BY THE CITY COUNCIL OF THE CITY OF SHORELINE, WASHINGTON:

Section 1. Definitions. Except as otherwise defined herein, capitalized terms used in this resolution have the meanings set forth in the Bond Ordinance. As used herein, the following terms shall have the following meanings:

Bond Ordinance means Ordinance No 853 of the City passed on February 25, 2019, as it may be amended, replaced and/or supplemented from time to time.

2019 Bonds mean the Limited Tax General Obligation Bonds, 2019 authorized to be issued in the aggregate principal amount of not to exceed \$10,000,000 under the terms of this resolution and the Bond Ordinance.

Section 2. Authorization of Issuance and Sale of the 2019 Bonds. The Issuance of the 2019 Bonds, designated as the “City of Shoreline, Washington Limited Tax General Obligation Bonds, 2019,” in the aggregate principal amount of not to exceed \$10,000,000, dated as of their date of delivery, is hereby approved. The 2019 Bonds shall be fully registered as to both principal and interest; shall be in the denomination of \$5,000 each, or any integral multiple thereof, within a maturity; shall be numbered separately in such manner and with any additional designation as the Bond Registrar deems necessary for purposes of identification; shall bear interest from their date payable on the dates and commencing as provided in the Sale Document; and shall mature on the dates and in the principal amounts set forth in the Sale Document, as approved and executed by the Designated Representative pursuant to this resolution. The 2019 Bonds shall be sold as Direct Purchase Bonds or Underwritten Bonds.

Section 3. Redemption.

(a) *Redemption of Bonds.* The 2019 Bonds shall be subject to mandatory redemption to the extent, if any, as set forth in the applicable Sale Document and as approved by the Designated Representative pursuant to Section 4 of this resolution. The 2019 Bonds shall be subject to optional redemption and/or prepayment on the dates, at the prices and under the terms set forth in the applicable Sale Document approved by the Designated Representative pursuant to Section 4.

(b) *Purchase of Bonds.* The City reserves the right to purchase any or all of the 2019 Bonds offered to the City at any time at any price acceptable to the City plus accrued interest to the date of purchase.

(c) *Selection of Bonds for Redemption.* If the Underwritten Bonds of a series are held in book-entry only form, the selection of particular Underwritten Bonds within a series and maturity to be redeemed shall be made in accordance with the operational arrangements then in effect at DTC. If the Underwritten Bonds are no longer held by a depository, the selection of such Underwritten Bonds to be redeemed and the surrender and reissuance thereof, as applicable, shall be made as provided in the following provisions of this subsection (c). If the City redeems at any one time fewer than all of the Underwritten Bonds having the same maturity date, the particular Underwritten Bonds or portions of Underwritten Bonds of such maturity to be redeemed shall be selected by lot (or in such manner determined by the Bond Registrar) in increments of \$5,000. In the case of an Underwritten Bond of a denomination greater than \$5,000, the City and the Bond Registrar shall treat each Underwritten Bond as representing such number of separate Underwritten Bonds each of the denomination of \$5,000 as is obtained by dividing the actual principal amount of such Underwritten Bond by \$5,000. In the event that only a portion of the principal sum of a Underwritten Bond is redeemed, upon surrender of such Underwritten Bond at the designated office of the Bond Registrar there shall be issued to the Registered Owner, without charge therefor, for the then unredeemed balance of the principal sum thereof, at the option of the Registered Owner, a Underwritten Bond or Bonds of like series, maturity and interest rate in any of the denominations herein authorized.

(d) *Notice of Redemption or Prepayment.*

(1) Official Notice. Notice of any prepayment of Direct Purchase Bonds shall be provided by the City to the Direct Purchaser as provided in the applicable Sale Document.

For so long as the Underwritten Bonds of a series are held by a depository, notice of redemption (which notice may be conditional) shall be given in accordance with the operational arrangements of DTC as then in effect, and neither the City nor the Bond Registrar will provide any notice of redemption to any Beneficial Owners. Thereafter (if the Underwritten Bonds are no longer held in uncertificated form), notice of redemption shall be given in the manner hereinafter provided. Unless waived by any owner of Underwritten Bonds to be redeemed, official notice of any such redemption shall be given by the Bond Registrar on behalf of the City by mailing a copy of an official redemption notice by first class mail at least 20 days and not more than 60 days prior to the date fixed for redemption to the Registered Owner of the Underwritten Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such Registered Owner to the Bond Registrar.

All official notices of redemption shall be dated and shall state: (A) the redemption date, (B) the redemption price, (C) if fewer than all outstanding Underwritten Bonds of such series are to be redeemed, the identification by maturity (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed, (D) any conditions to redemption; (E) that (unless such notice is conditional) on the redemption date the redemption price will become due and payable upon each such Underwritten Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date, and (F) the place where such Underwritten Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the designated office of the Bond Registrar.

On or prior to any redemption date, unless any condition to such redemption has not been satisfied or waived or notice of such redemption has been rescinded, the City shall deposit with the Bond Registrar an amount of money sufficient to pay the redemption price of all the Underwritten Bonds or portions of Underwritten Bonds which are to be redeemed on that date. The City retains the right to rescind any redemption notice and the related optional redemption of Underwritten Bonds by giving notice of rescission to the affected registered owners at any time on or prior to the scheduled redemption date. Any notice of optional redemption that is so rescinded shall be of no effect, and the Underwritten Bonds for which the notice of optional redemption has been rescinded shall remain outstanding.

If notice of redemption has been given and not rescinded or revoked, or if the conditions set forth in a conditional notice of redemption have been satisfied or waived, the Underwritten Bonds or portions of Underwritten Bonds to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and, if the Bond Registrar then holds sufficient funds to pay such Underwritten Bonds at the redemption price, then from and after such date such Underwritten Bonds or portions of Underwritten Bonds shall cease to bear interest. Upon surrender of such Underwritten Bonds for redemption in accordance with said notice, such Underwritten Bonds shall be paid by the Bond Registrar at the redemption price. Installments of interest due on or prior to the redemption date shall be payable as herein provided for payment of interest. All Underwritten Bonds which have been redeemed shall be canceled by the Bond Registrar and shall not be reissued.

If addition to the foregoing notice, further notice shall be given by the City as set out below, but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as

above prescribed. Each further notice of redemption given hereunder shall contain the information required above for an official notice of redemption plus (A) the CUSIP numbers of all Underwritten Bonds being redeemed; (B) the date of issue of the Underwritten Bonds as originally issued; (C) the rate of interest borne by each Underwritten Bond being redeemed; (D) the maturity date of each Underwritten Bond being redeemed; and (E) any other descriptive information needed to identify accurately the Underwritten Bonds being redeemed. Each further notice of redemption may be sent at least 20 days before the redemption date to each party entitled to receive notice pursuant to the Continuing Disclosure Certificate and with such additional information as the City shall deem appropriate, but such mailings shall not be a condition precedent to the redemption of such Underwritten Bonds.

The foregoing notice provisions of this Section 3, including but not limited to the information to be included in redemption notices and the persons designated to receive notices, may be amended by additions, deletions and changes in order to maintain compliance with duly promulgated regulations and recommendations regarding notices of redemption of municipal securities.

Section 4. Acceptance of Offer/Authorization of Sale Document.

(a) *Bond Sale.* The Council has determined that it would be in the best interest of the City to delegate to the Designated Representative for a limited time the authority to determine the method of sale for the 2019 Bonds, and to approve the final interest rates, maturity dates, redemption terms and principal maturities for the 2019 Bonds. The Designated Representative is hereby authorized to approve the issuance of the 2019 Bonds and to approve whether the 2019 Bonds shall be sold in a private placement to a Direct Purchaser or to an Underwriter through a competitive public sale or a negotiated sale, as set forth in the Bond Ordinance.

(b) *Sale Parameters.* The Designated Representative is hereby authorized to approve the method of sale and the final interest rates, aggregate principal amount, principal maturities, denomination(s), and redemption rights for the 2019 Bonds in the manner provided hereafter so long as:

- (1) the aggregate principal (face) amount of the 2019 Bonds does not exceed \$10,000,000,
- (2) the final maturity date for the 2019 Bonds is no later than 12/1/2034,
- (3) the true interest cost for the 2019 Bonds does not exceed 3.00%,
- (4) the 2019 Bonds are sold (in the aggregate) at a price not less than 98%; and
- (5) all other terms of the 2019 Bonds are otherwise in compliance with the terms of the Bond Ordinance and this resolution.

Subject to the terms and conditions set forth in this section and the Bond Ordinance, the Designated Representative is hereby authorized to execute the applicable Sale Document for the 2019 Bonds. Following the execution of the applicable Sale Document, the Designated

Representative shall provide a report to the Council describing the final terms of the 2019 Bonds approved pursuant to the authority delegated in this section.

The authority granted to the Designated Representative by this section shall expire one year (365 days) after the effective date of this resolution. If a Sale Document for the 2019 Bonds has not been executed by such date, the authorization for the issuance of such series of 2019 Bonds shall be rescinded, and such 2019 Bonds shall not be issued nor their sale approved unless such 2019 Bonds shall have been re-authorized by resolution of the Council.

(c) *Delivery of Bonds; Documentation.* The proper officials of the City, including the Mayor, Administrative Services Director, City Clerk and City Manager, are authorized and directed to undertake all action necessary for the prompt execution and delivery of the 2019 Bonds to the purchaser thereof and further to execute all closing certificates and documents required to effect the closing and delivery of the 2019 Bonds in accordance with the terms of the applicable Sale Document. Such documents may include, but are not limited to, documents related to a bond insurance policy delivered by a bond insurer to insure the payment when due of the principal of and interest on all or a portion the 2019 Bonds as provided therein, if such insurance is determined by the Designated Representative to be in the best interest of the City.

(g) *Preliminary and Final Official Statements.* The Administrative Services Director and the City Manager are each hereby authorized to deem final the preliminary Official Statement(s) relating to any Underwritten Bonds for the purposes of the Rule. The Administrative Services Director and the City Manager are each further authorized to approve for purposes of the Rule, on behalf of the City, the final Official Statement(s) relating to the issuance and sale of any Underwritten Bonds and the distribution of the final Official Statement pursuant thereto with such changes, if any, as may be deemed to be appropriate.

Section 5. Security; Combined Issues. The Bonds authorized herein may be combined with other limited tax general obligation bonds of the City and sold as a single series and issue if determined to be in the best interest of the City. In the event that the Bonds authorized herein are combined with other limited tax general obligation bonds of the City and sold as a single series, the TBD Revenues shall be pledged to the portion of the combined series of bonds allocable to the Projects and related costs of issuance.

Section 6. Further Authority. The City Officials, their agents and representatives are hereby authorized and directed to do everything necessary for the prompt issuance and delivery of the 2019 Bonds and for the proper use and application of the proceeds of such sale.

Section 7. Severability. The covenants contained in this resolution shall constitute a contract between the City and the owners of each and every 2019 Bond. If any one or more of the covenants or agreements provided in this resolution 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 resolution and shall in no way affect the validity of the other provisions of this resolution or of the 2019 Bonds.

ORIGINAL


Section 8. Effective Date. This resolution shall be effective after its passage as provided by law.

PASSED BY THE CITY COUNCIL ON JUNE 17, 2019.



Mayor Will Hall

ATTEST:



Jessica Simulcik Smith
City Clerk

APPROVED AS TO FORM:



David Gregory
Pacifica Law Group LLP
Bond Counsel

ORIGINAL

CERTIFICATE

I, the undersigned, City Clerk of the City Council of the City of Shoreline, Washington (the "City"), DO HEREBY CERTIFY:

1. The attached copy of Resolution No. 438 (the "Resolution") is a full, true and correct copy of a resolution duly passed at a regular meeting of the City Council of the City held at the regular meeting place thereof on June 17, 2019 as that Resolution appears in the minute book of the City; and the resolution will be in full force and effect after its passage and publication as provided by law; and

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 Council voted in the proper manner for the passage of said Resolution; that all other requirements and proceedings incident to the proper passage of said Resolution have been fully fulfilled, carried out and otherwise observed; and that I am authorized to execute this certificate.

3. That Resolution No. 438 has not been amended, supplemented or rescinded since its passage and is in full force and effect and that I am authorized to execute this certificate.

IN WITNESS WHEREOF, I have hereunto set my hand this 25 day of June, 2019.



City Clerk