

ORDINANCE NO. 54

**AN ORDINANCE OF THE CITY OF SHORELINE, WASHINGTON,
ESTABLISHING PROCEDURES FOR THE CREATION OF LOCAL
IMPROVEMENT DISTRICTS AND ESTABLISHING A LOCAL
IMPROVEMENT DISTRICT GUARANTY FUND.**

WHEREAS, the City of Shoreline will incorporate on August 31, 1995; and

WHEREAS, residents of the City may wish to finance certain local improvements to streets, sidewalks, improvements in either a water or sewer system or other amenities : and

WHEREAS, RCW 35A.43.010 makes applicable to the City of Shoreline certain general laws of the State of Washington regarding the financing of local improvements and the creation of local improvement districts; NOW, THEREFORE,

**THE CITY COUNCIL OF THE CITY OF SHORELINE, WASHINGTON,
DOES ORDAIN AS FOLLOWS:**

Section 1. Creation, bonds and warrants - Compliance with state laws. The creation of local improvement districts by the city, the levying and collection of assessments therein and the issuance of bonds and warrants thereof, shall be accomplished in accordance with the applicable provisions of the statutes of the State of Washington and the provisions of this Ordinance.

Section 2. Preliminary estimates and assessment rolls - Official designated. The City Manager or designee is hereby designated as the proper officer to make preliminary estimates and assessment rolls for local improvement districts of the city and to furnish to the city council such information as may be required by law to be furnished to the city council in connection with the formation of local improvement districts.

Section 3. Bonds - Denomination. Local improvement bonds shall be in such denominations as may be provided in the ordinance authorizing their issue. The city may in such ordinance provide that the date, form and interest rate of such bonds and the denomination of the first numbered bond of such issue be subsequently fixed by resolution.

Section 4. Assessments - Costs. In levying local improvement assessments the city shall estimate the reasonable costs to be incurred in collecting such assessments and same shall be added to the assessment roll as a part of the cost of the improvement.

Section 5. Assessments - Installments - Delinquency. Installments of assessments which shall become due in any local improvement district of the city shall be delinquent if not paid when due. All delinquent installments shall bear a penalty of five percent of the principal amount due on such delinquent installment or installments. If any assessment installment shall become delinquent, the entire assessment shall become due and payable and the collection thereof may be enforced by foreclosure and any other remedies provided by the laws of the State of Washington.

Section 6. Assessments - Installments - Foreclosure. Foreclosure of delinquent local and utility local improvement district assessments or installments thereof may be commenced by the methods provided in RCW Chapter 35.50.

A responsible official of the City as provided for in RCW 35.50 shall first give to the persons whose names appear on the assessment roll as owners of the property charged with the assessments or installments which are delinquent, notice of commencement of foreclosure proceedings in the form and manner required by RCW 35.50.030. The foreclosure proceedings shall then be commenced in the time required by law.

Section 7. Local Improvement District Guaranty Fund Created. Pursuant to RCW Chapter 35.54, there is hereby created a fund of the city to be known and designated as "Local Improvement District Guaranty Fund" for the purpose of guaranteeing to the extent of such fund in the manner provided by law and this ordinance the payment of local improvement bonds and warrants hereafter issued to pay the cost of improvements constructed in all local improvement districts of the city.

Section 8. Budget and tax levy. From time to time hereafter for the purpose of maintaining the local improvement guaranty fund the city shall at the time of making its annual budget and tax levy provide for the levy of a sum sufficient, with other resources of the fund, to meet the financial requirements of such fund, provided that the levy in any one year shall not exceed five percent of the outstanding obligations guaranteed by the fund.

Section 9. Warrants. Warrants drawing interest at a rate of not to exceed six percent shall be issued against the local improvement guaranty fund to meet any liability accruing against it. The warrants so issued shall at no time exceed five percent of the outstanding obligations guaranteed by the fund. At the time of making its annual budget and tax levy the city shall provide for the levying of a sum sufficient, with other resources of the fund, to pay warrants so issued during the preceding fiscal year.

Section 10. Defaulted bonds, interest coupons and warrants - Purchase. Defaulted bonds, interest coupons and warrants against local improvement district funds of the city shall be purchased out of the guaranty fund and as between the several issues of bonds, coupons or warrants no preference shall exist, but they shall be purchased in the order of their presentation.

Section 11. Certificates of delinquency for general taxes.

(a) For the purpose of protecting the guaranty fund, so much of the guaranty fund as is necessary may be used to purchase certificates of delinquency for general taxes on property subject to local improvement assessments which underlie the bonds, coupons or warrants guaranteed by the fund or to purchase such property at county tax foreclosures or from the county after foreclosure.

(b) The city, as trustee of the fund, may foreclose the lien of general taxes certificates of delinquency and purchase the property at foreclosure sale. When doing so, the court costs, costs of publication, expense for clerical work and other expenses incidental thereto shall be charged to and paid from the local improvement guaranty fund.

(c) After acquiring title to property by purchase at general tax foreclosure sale or from the county after foreclosure, the city may lease it or sell it at public or private sale at such price and on such terms as may be determined by resolution of the city council. All proceeds shall belong to and be paid into the local improvement guaranty fund.

Section 12. Interest and earnings.

(a) Interest and earnings from the local improvement guaranty fund shall be paid into the fund. If in any local improvement fund guaranteed by the local improvement guaranty fund there is a surplus remaining after the payment of all outstanding bonds and warrants payable therefrom, it shall be paid into the local improvement guaranty fund.

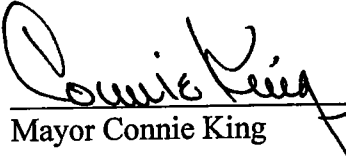
(b) Whenever any sum is paid out of the local improvement guaranty fund on account of the principal or interest of a local improvement bond or warrant, the city, as trustee of the fund, shall be subrogated to all the rights of the holder of the bonds or interest coupon or warrant so paid and the proceeds thereof or of the underlying assessment shall become part of the guaranty fund.

Section 13. Severability. Should any section, paragraph, sentence, clause or phrase of this Ordinance, or its application to any person or circumstance, be declared unconstitutional or otherwise invalid for any reason, or should any portion of this Ordinance be preempted by state or federal law or regulation, such decision or preemption shall not affect the validity of the remaining portions of this Ordinance or its application to other persons or circumstances.

ORIGINAL

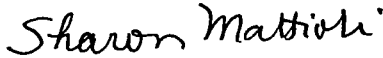
Section 14. Effective Date and Publication. A summary of this ordinance consisting of its title shall be published in the official newspaper of the City. This ordinance shall take effect and be in full force five (5) days after the date of publication or the date of incorporation as the law may require.

PASSED BY THE CITY COUNCIL ON SEPTEMBER 11TH, 1995



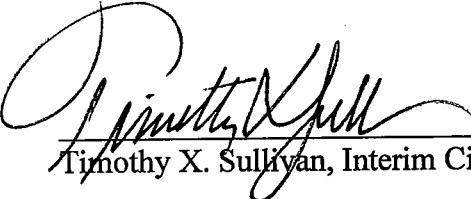
Mayor Connie King

ATTEST:



Sharon Mattioli, CMC
City Clerk

APPROVED AS TO FORM:



Timothy X. Sullivan, Interim City Attorney

Date of Publication: 9/13/95
Effective Date: 9/18/95